

SCA Green Bond Framework

June 2025





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The forest forms the foundation for SCA's value creation and climate benefits

Growing and responsibly managed forests form the foundation of the values created by SCA. Renewable raw materials sourced from responsibly managed forests are processed in well-invested, nearly fossil-free industries to create biobased and recyclable products. SCA is Europe's largest private forest owner, directly employing over 3,400 people while creating value for forest owners and generating opportunities for contractors, contributing to viable local communities.

Profitable growth is essential for enabling SCA to continue investing in forestry and industry. Strong cash flow allows for long-term investments in nature conservation and in silviculture that will provide higher growth in SCA's forests. Through responsible forest management, SCA provides raw materials for renewable products, nurtures biodiversity and contributes to the experiences offered by the forest.

SCA's climate benefit

SCA's responsibly managed forests play a vital role in capturing and storing carbon dioxide (CO₂). When forest growth exceeds harvesting, the standing stock of carbon increases. The more forests grow, the more CO₂ is absorbed from the atmosphere. Harvested wood serves as raw material for products that store carbon for an extended period or replace fossil-based materials that have high carbon footprints.

Thanks to the high net growth in SCA's forests, the carbon storage continues to rise. By using renewable raw materials to produce fossil-free products, SCA helps customers reduce their climate impact and supports sustainable development. Meanwhile, emissions from SCA's value chain are steadily declining.

Overall, SCA's forests and renewable products create a total climate benefit equivalent to approximately 12.5 million tonnes of CO₂ per year, accounting for over 25% of Sweden's total greenhouse gas emissions.

Rationale for green bonds

SCA has issued green bonds for several years as part of its sustainability strategy, which is deeply integrated into the company's overall business strategy. SCA's corporate purpose reflects a commitment to contributing to more resilient and equitable societies. This framework defines SCA's key environmental impact areas and associated challenges. By issuing green bonds under this framework, SCA aims to strengthen the dialogue with investors and other stakeholders about sustainability commitments and progress in a transparent and consistent manner.

Sundsvall 2025

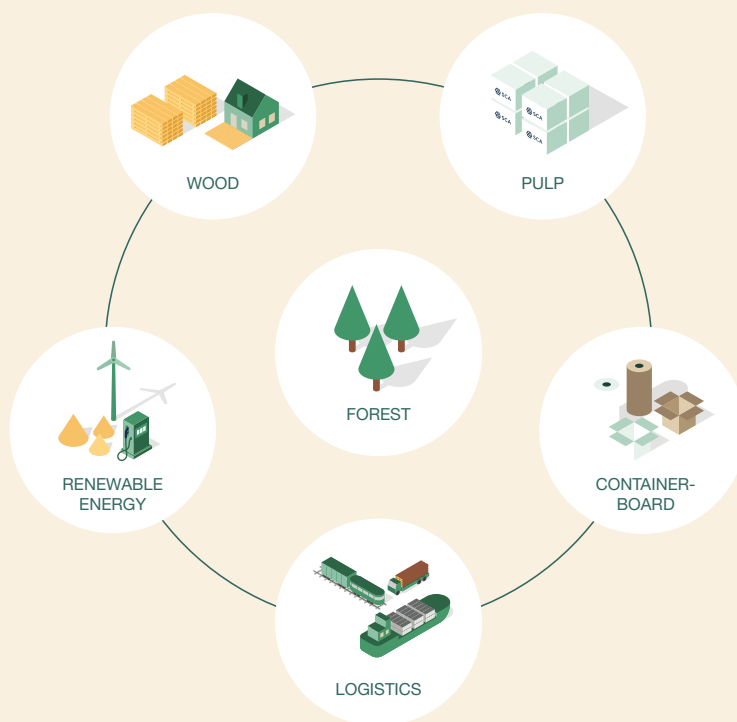
Chief Executive Officer
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This is SCA

SCA is Europe's largest private forest owner with 2.7 million hectares of forestland in Northern Sweden and more than 75,000 hectares in Estonia, Latvia and Lithuania. Based on this unique resource, SCA has developed an industry that generates the highest possible value in the forest and from the forest. The forest is the core of SCA's operations.



SCA has built an integrated and well-invested industry around this renewable resource, utilizing and maximizing the value of the entire tree. SCA produces products for customers all around the world.

Forest – is the core of SCA's operations. On this base, SCA has built an industrial ecosystem that maximizes value creation in and from the forest.

Wood – About two thirds of the revenue for forest owners comes from sawlogs that are delivered to sawmills. A competitive sawmill industry is the economic engine of the Swedish forest business. SCA owns five well-invested sawmills located close to the forest assets. SCA produces high quality products for construction, renovation and home improvement and purpose-designed products for the wood processing industry.

Pulp – Pulpwood from the forest unsuitable for the production of solid wood products together with woodchips, a by-product from the sawmills, is instead used to make pulp. The pulp is then used as input in production of hygiene products and packaging. SCA's two pulp mills also produce complementary products in the form of green chemicals, green electricity, district heating and raw materials for different biofuels.

Containerboard – is produced in two pulp- and paper mills that manufacture a large range of Kraftliner products with different qualities and properties. The Kraftliner is one of two main components in corrugated board mainly used for transport packaging and products are delivered to customers all over the world.

The integrated paper mills produce valuable by-products and green energy. The pulp and paper mills are running on about 95% fossil-free energy.

Renewable energy – From raw materials not used for either solid wood products, paper or pulp SCA produces bioenergy, green electricity, biofuels and green chemicals. SCA is co-owning one of Sweden's largest bio-refineries where sustainable aviation fuel (SAF) and sustainable biodiesel (HVO 100) is produced.

SCA's forests offer favourable sites for wind power production and together with SCA's partners, the company contribute to the realization of some of Sweden's largest wind power projects. About 20% of Sweden's total windmill capacity is installed on SCA land.

Logistics – is a core operation for any forest company. Raw materials must be efficiently shipped to industrial facilities and products delivered to customers worldwide. SCA Logistics services include land transportation, terminal handling and storage, and marine transportation to the global market.

The SCA Value Chain

The integrated value chain with certified forest operations and modern production facilities allows SCA to make full use of the entire tree and thereby ensure that no part of the tree goes to waste.

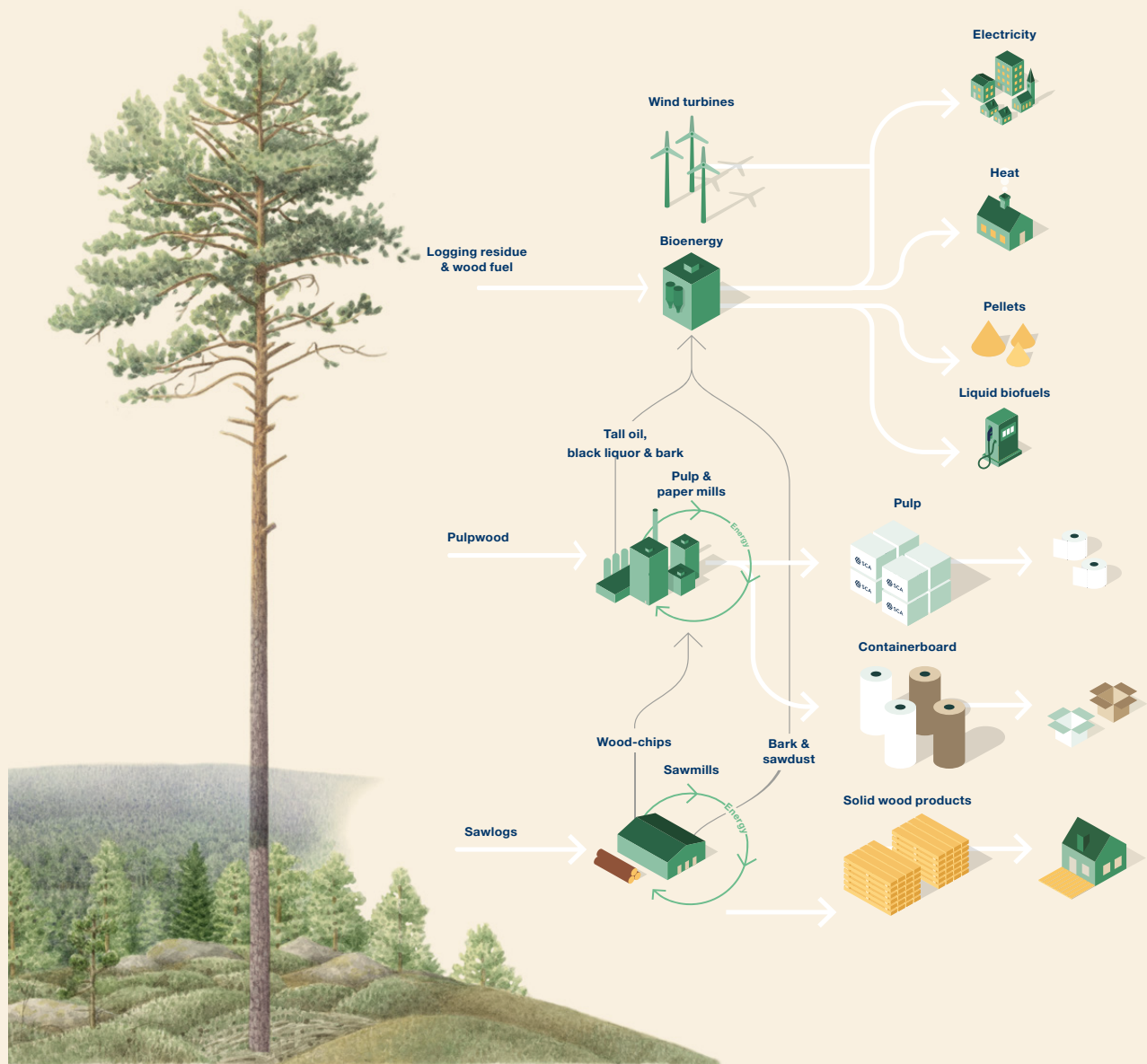
We use the entire tree

The lower part of the tree, the most valuable part, is processed in sawmills into solid wood products. More than half of the log is used for solid wood products. The remainder becomes wood chips for pulp production.

Other by-products from sawmills, such as bark and sawdust, are used in the bio-energy business to produce pellets, heat and electricity.

Logs that cannot be used for solid wood products, together with wood chips from the sawmills, are the feedstock of the pulp and containerboard business.

Other by-products such as tall oil and turpentine, are further refined into liquid biofuels and green chemicals. SCA's 2.7 million hectares of forest also contain many locations with favourable wind conditions. SCA leases land to power producers and investors active in green energy.





Sustainable development in the SCA bioeconomy

SCA's sustainability platform is built on six components, two foundations and four pillars, that together contribute to the UN's 17 Sustainable Development Goals. SCA has established long-term targets in all areas. This means the platform is a robust tool that ensures that sustainability in a green bio-based economy is systematically prioritized in the company's decision-making processes.

SCA has a vision of a resource-efficient, green circular bioeconomy that creates global benefits by growth and gain market share from fossil raw materials year by year. At the same time, the forest's natural, cultural and social values are preserved and given the pre-conditions to develop.

SCA's sustainability platform



Profitable growth – Long-term profitability requires sustainable and profitable growth in a responsible manner. The forest forms the core of SCA's operations and profitable growth is created as the renewable forest resource grows and by continuously increasing the value generated from each tree. (UN SDG 12).

People and value-based culture – SCA's core values – responsibility, respect and excellence – are described in SCA's Code of Conduct, which all employees are to comply with. SCA is to be an inclusive and attractive employer that always puts health and safety first. SCA aims to establish a sustainable supply chain with suppliers and contractors that share the company's values. (UN SDG 3, 5, 8 and 10).

Fossil-free world – SCA produces and sells renewable products that can replace fossil-based alternatives and thereby contribute to reducing global warming. SCA also contributes to climate benefit through the net growth of the company's forests, which absorb CO₂ from the atmosphere, and by continuously striving to reduce greenhouse gas emissions from its own value chain. (UN SDG 7, 9, 12 and 13).

Valuable Forests – The forest is the core of SCA's operations. Through responsible forest management, the forests will remain at least as rich in biodiversity, nature experiences and raw

material in the future as they are today. SCA plays an active role in developing forest management practices to reduce negative environmental impact and maintain or enhance conservation values. (UN SDG 3, 6, 12, 13 and 15).

Efficient use of resources – SCA continuously strives to improve its resource efficiency, which contributes to better profitability while also being resource efficient and reducing the impact on the environment. Water is an essential resource, and SCA safeguards access to clean water by minimizing emissions and optimizing its use. SCA works continuously to minimize waste and explore new uses for the company's by-products or side streams. Through innovation and product development, contributions are made to greater material efficiency throughout the value chain. (UN SDG 6, 7, 9, 12 and 14).

Viable communities – SCA develops together with the local communities. Job opportunities, growth and welfare are generated through business activities, both directly and indirectly. Entrepreneurial innovation and strategic collaboration are crucial in this respect. SCA support organisations and institutions that provide meaningful leisure activities and enhance cohesion in local communities. (UN SDG 8, 9, 11 and 17).

The Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by all 193 United Nations member states in 2015. The goals guide governments, civil society and the private sector in a collaborative effort for change towards sustainable development and played an important role in the work to develop SCA's sustainability platform.

In this Framework, each Green Project category has been mapped to the SDGs in accordance with the High-Level Mapping to the Sustainable Development Goals published by ICMA.



SCA works proactively to increase the forest value

SCA's forests are managed with a long-term perspective so that they provide higher growth and greater harvesting opportunities over time. Each harvested tree is replaced with two to three new seedlings and forms the cornerstone of a long-term, sustainable forestry and bioeconomy.

Since 1940, SCA has grown the standing stock of wood in the forest by 60%, while simultaneously has been able to increase the annual harvest of climate-positive wood products from 2 to 5 million m³sub.

SCA's forests hold many values and contribute to much more than only wood production. Developing and preserving biodiversity is one of the most important sustainability targets.





Responsible forest management

Responsibly managed forests provide renewable raw material for recyclable products that mitigate global warming by replacing fossil-based or carbon-intensive alternatives.

The growing forests sequester carbon dioxide from the atmosphere and healthy forest ecosystems play a crucial role in preserving biodiversity. Beyond their environmental benefits, forests offer numerous social values, including recreation, job opportunities, tax revenue, and other societal benefits.

SCA's long term goal is to manage and utilize forests responsibly, ensuring they remain at least as rich in biodiversity, natural experiences, and raw materials in the future as they are today.

SCA's nature conservation strategy encompasses positions and activities aimed at achieving its ambitions and goals in

nature conservation. Ecological landscape planning for all SCA's forest holdings is part of the process to determine which forests are designated for timber production and which should be preserved or managed with a focus on benefiting biodiversity. In some forests, there are combined targets.

SCA is committed to non-deforestation, deforestation-free supply chains, and reforestation after harvest. The amount of wood (standing stock in the forest) is constantly increasing in all regions where SCA sources raw materials, as growth exceeds harvest.

Forestry operations and forest management practices are subject to independent third-party certification in accordance with recognized sustainability and quality standards.



Biodiversity and nature conservation

As Europe's largest private forest owner, SCA recognizes its responsibility to integrate biodiversity considerations into all aspects of its forestry practices, balancing sustainable wood production with nature conservation.

SCA works actively to promote a rich diversity of species and habitats by setting aside conservation areas, restoring wetlands, maintaining old-growth forests, and ensuring varied forest structures. Special attention is given to protecting red-listed species and ecologically valuable environments. The company also collaborates with researchers, authorities, and environmental organizations to continuously develop and improve biodiversity practices.

Looking forward, SCA aims to further strengthen its contribution to nature conservation by increasing transparency in its

environmental reporting, and innovating new methods to monitor and support ecosystem health.

By combining sustainable forestry with strong environmental stewardship, SCA is working to ensure that its forests continue to be vibrant, resilient, and full of life—today and for future generations.

SCA takes various types of nature conservation measures in a range of geographic scales:

- Landscape ecological planning applies for the entire forest holding and is a cornerstone of nature conservation. High-conservation-value forests get identified during forest planning and these are either set aside or prioritized for other nature conservation measures, such as combine management.



- Alternative harvesting methods are used in some areas, often when tree continuity is important. SCA plans and implements nature considerations in all harvesting sites. In this way, smaller areas with high conservation value, as well as social and culture values, are preserved.
- SCA carries out targeted measures, such as prescribed nature conservation burning and wetland restoration, in specific areas where the measures will promote high conservation values over time.
- Certain species with special consideration - Of the great diversity of animal and plant species, SCA has identified 203 red-listed species that are found on the land holdings and are negatively affected by various forestry activities. To identify these species, SCA conducted an in-depth analysis of the

Swedish Red List in 2020. These species require specific measures to preserve or develop habitats that meet their ecological needs.

- SCA has established five Conservation parks characterized by greater diversity than the surrounding forest landscape. The purpose of the parks is to further develop forestry toward even greater sustainability in all aspects. The parks also offer excellent opportunities for outdoor recreation and nature experiences. A wide range of measures are carried out within the parks to enhance existing natural, cultural-historical, and recreational values—and to create new ones.



Impact metrics related to biodiversity

SCA's long-term work with responsible forestry and biodiversity conservation is proving effective, as reflected in official statistics. Key indicators of biodiversity, monitored by the Swedish National Forest Inventory, under the responsibility of Swedish University of Agricultural Science (SLU) since 1996, show positive trends on SCA land. For example, the proportion of old trees, mature old forests, deciduous trees, old deciduous trees, and dead wood has steadily increased, supporting a richer and more diverse forest ecosystem.

Measuring and assessing the impact of efforts to promote biodiversity is complex. SCA has chosen to monitor development of a few indicators in its Swedish land holdings that are relevant for biodiversity with the help of the Swedish National Forest Inventory at SLU, which publishes data for the whole of

Sweden based on many sample plots. The status of the indicators is based on estimations of data from the Swedish National Forest Inventory's sample plots on SCA's land. Steps taken to promote biodiversity are long-term and the result is often notable only after several years. To obtain a representative base to follow developments, a mean value was chosen of outcomes between 1996 and 2000 as the starting point.

The following indicators were chosen:

- dead wood,
- old deciduous trees,
- volume deciduous trees,
- old forest,
- old forest with specific indications of conservation value.

All indicators are seen to represent important factors for biodiversity in the forest.

The volume of dead wood has increased by 39%. The volume of thick deciduous trees increased by 92%. The volume of deciduous trees has increased by 24%. The percentage of old forest (≥140 years) has increased by 36%. The increase was primarily the result of aging of voluntary set-aside forest. The percentage of old forest with specific indications of conservation value has increased by 42% since the estimations started in 2005.

Old forest with specific indications of conservation value

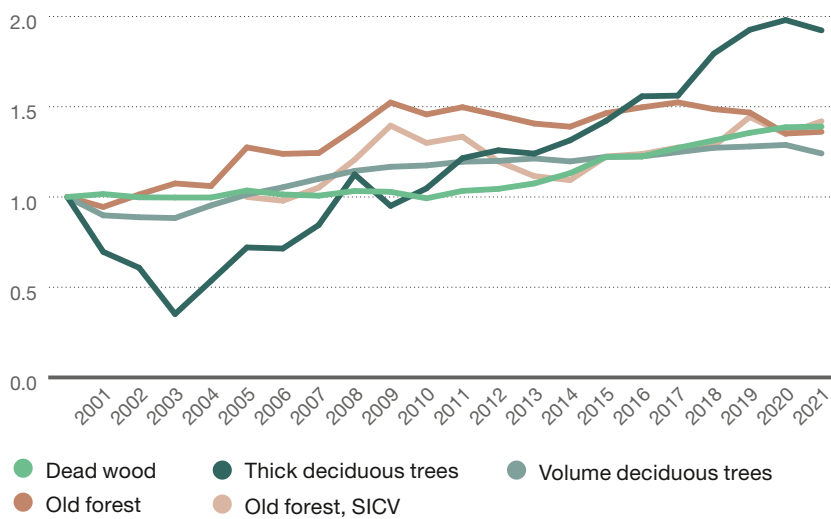
+42%

since the estimations started in 2005.



Indicators for biodiversity – relative change

Index 1 = average 1996–2000



Source: SLU Swedish National Forest Inventory. Sweden's official statistics, Skogsdata 2024. Swedish University of Agricultural Sciences, Umeå. Reference values are taken from Skogsdata and the Swedish National Forest Inventory. Data for SCA is based on the Swedish National Forest Inventory's sample plots on SCA's forest holding.

Climate benefits of forest and forest products

Climate Change is the defining issue for us all and our planet, and we are at a defining moment. The impacts of climate change are global in scope and unprecedented in scale. Without drastic action today, adapting to these impacts in the future will be more difficult and costly.

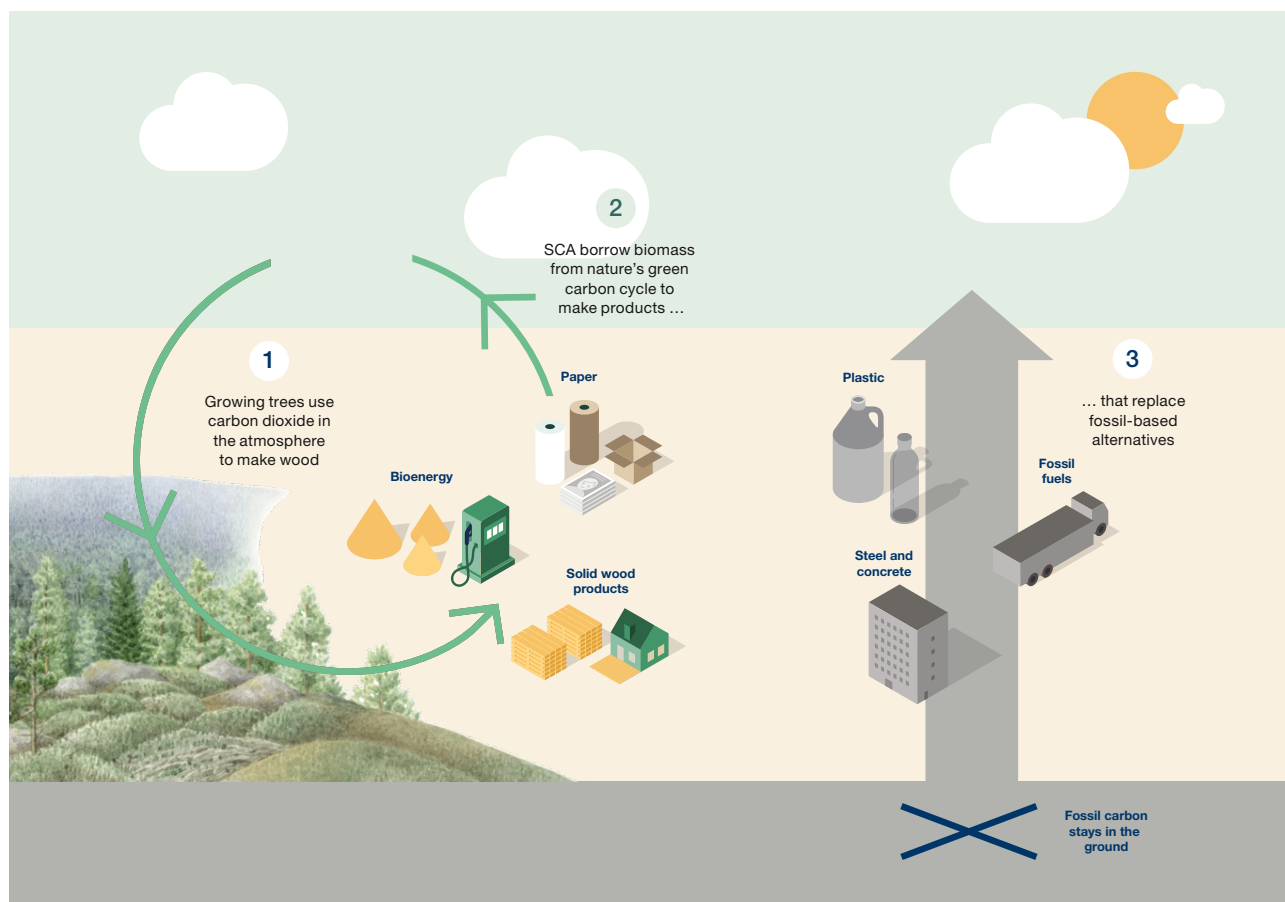
To achieve this, society must adapt and use more renewable alternatives rather than fossils. Sustainably managed forests are major contributors to the goal of achieving a fossil-free world. Forests sequester carbon dioxide as they grow and provide renewable raw materials for products that can replace fossil alternatives.

Growing trees capture carbon dioxide from the atmosphere and convert it to biomass. When a tree reaches harvestable

age, it is used to produce renewable materials such as lumber, pulp, containerboard and bioenergy. In many cases building materials associated with a high climate impact can be substituted by biomaterials. For example, concrete can be replaced with wood-based products and fossil diesel can be substituted with biodiesel.

Eventually, the carbon stored in biomass-based products will return to the atmosphere as carbon dioxide, which new trees will capture and convert to new biomass. The green cycle is complete.

The green cycle is necessary for a fossil-free society

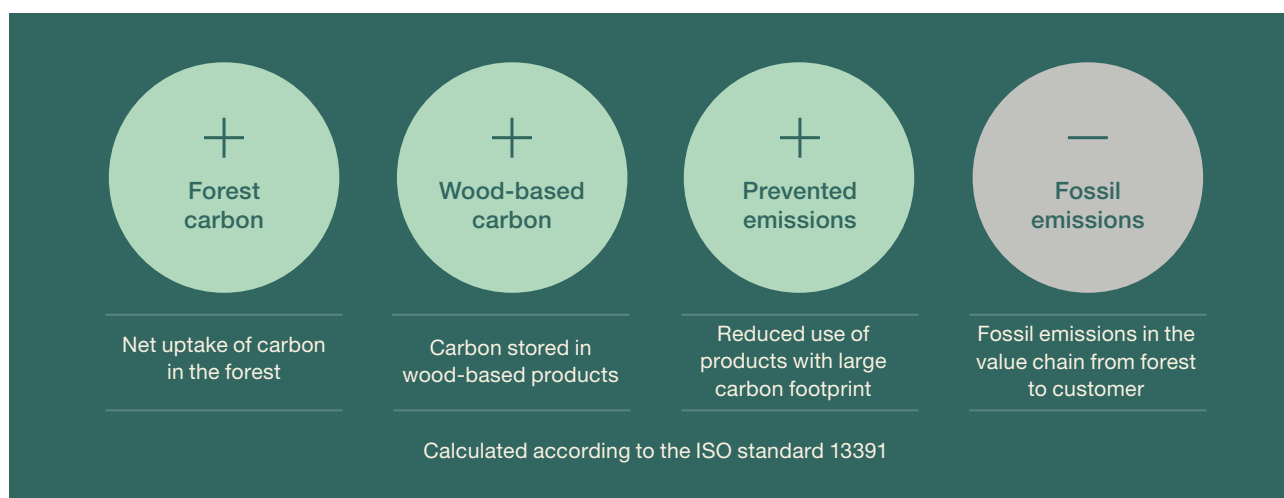


The climate model, ISO 13391 – clarifying forests' role in mitigating climate change

The purpose of the ISO 13391 (FDIS 13391 parts 1 to 3, version 2025) climate model is to provide a clear and accurate overall picture of the forest's important role in mitigating climate change. This includes quantifying the positive impacts of the CO₂ uptake by growing forests and storage of carbon, and the contribution from forest-based products when they replace fossil raw materials and enable the phasing out of fossil carbon. The model also considers the negative impact of fossil CO₂ emissions in the value chain.

SCA is highly ambitious in its climate efforts and started to report yearly total climate benefit already in 2018. The reporting method has been maintained and developed by the Swedish Forest Industries federation in collaboration with Skogforsk (The Forest Research Institute of Sweden) among others.

During March 2025 the reporting method was approved as an international ISO standard (ISO 13391 Wood and wood-based products – Greenhouse gas dynamics), and thereby recognized by experts and researchers in nearly all countries engaged in forest management. The ISO standard specifies how calculations of different parts can be combined into a carbon balance calculation for the entire value chain related to growing forests and their wood and wood-based products. The ISO 13391 standard contributes to the UN Sustainable Development Goals no: 12, 13 and 15. The standard calculates the climate contribution from net uptake in the forest, change in carbon stock in the delivered products, emissions avoided due to the company's products, and the fossil emissions in the company's value chain.



EU Taxonomy

The EU Taxonomy for sustainable investments should offer guidance for the financial market to identify economic activities that make a substantial contribution to help achieve the EU environmental objectives and green growth strategy. SCA's products contribute to the sustainable transition of society by replacing fossil materials with products based on renewable materials from responsible forest management. Despite this, most of the company's products are not included in the existing version of the EU Taxonomy, meaning no technical screening criteria have been defined for these activities.

Examples of SCA's activities that contribute to mitigate climate change, but do not fall within the scope of the Taxonomy are:

- Production and sales of solid wood products for construction, renovation and manufacturing of furniture.
- Production and sales of fibre-based packaging material.
- Production and sales of pellets and unprocessed biofuels to generate renewable energy.

The assessment of the company's operations was based on the activities and criteria described in the delegated acts for the EU Taxonomy 2021/2139, 2021/2178, 2022/1214, 2023/3850 and 2023/3851. The economic activities identified as Taxonomy-

eligible are forest management, energy activities such as sale of district heating, electricity and tall oil to be further processed into biofuels as well as various transport services and electrification of vehicles.

All activities are first and foremost considered to contribute toward the environmental objective, Climate change mitigation. Some of the activities also contribute to other environmental objectives. Activities have been identified that contribute to the Biodiversity and ecosystems environmental objective. These activities are mainly deemed to contribute to the Climate change mitigation environmental objective, which is why they are reported under this objective. In 2024, no activities were identified that primarily contribute to the other environmental objectives.

The precautionary approach was used in the work to estimate economic activities, capital and operating expenditure, which meant that in instances when doubts existed about whether an activity met the requirements for contributions to the environmental objectives, these were not included in the calculation. To assess whether an activity is aligned with the Taxonomy, the technical screening criteria, do no significant harm (DNSH), and minimum social safeguards, were considered. In 2024, the company has not identified any activities classified as transitional. One activity, investments in charging stations for electric vehicles, is classified as an enabling activity.

Green Bond Framework

SCA's Green Bond Framework ("the Framework") has been developed as part of SCA's continued commitment to integrate sustainability across the business. The Framework is structured in alignment with the Green Bond Principles (GBP) 2021 (with June 2022 Appendix I) established by the International Capital Markets Association (ICMA).

These principles provide voluntary guidelines to support issuers in financing environmentally sound and sustainable projects, while providing transparency and insight into their estimated impact. The GBP further promote integrity in the development of the green bond market by clarifying the approach for issuing a Green Bond. In alignment with the GBP the Framework consists of the key components and recommended External Review. SCA may under this framework issue Green Bond.

The Green Bond Framework has been developed to be aligned with the core components of the GBP:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting
5. External Review

Use of Proceeds

Net proceeds 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 entities¹⁾ 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 next pages.

Net proceeds from Green Bonds will finance Eligible Green Assets and Projects according to this framework where SCA has identified and manages environmental and societal risks as determined by SCA within the Sustainability Policy, Code of Conduct, Supplier Code of Conduct, general corporate governance, ethics policies, other guidelines and instructions available on its company website.

This Framework is established for positive screening and enables financing of capital expenditures, assets, ownership, acquisition, R&D as well as selective operational expenditures that increase the lifetime or value of assets. Eligible Green Assets and Projects can either make a substantial contribution towards a low carbon and/or environmentally sustainable society themselves or directly enable others to make a substantial contribution towards a low-carbon and/or environmentally sustainable society.

Financing and refinancing

Proceeds can finance both existing and new Eligible Green Assets and Projects financed by SCA. New finance is defined as Eligible Green Assets and Projects that are ongoing, or that

S&P Global Ratings will provide a Second Party Opinion on this Green Bond Framework, which will be made publicly available at SCA's website. In accordance with the Green Bond Principles, SCA will continue to provide an annual Green Bond Report at least until full allocation, and on a timely basis in case of material developments or any re-allocation of any issued Green Bonds. In addition, SCA will engage an independent external auditor, or other third party to verify the internal tracking and allocation of funds from Green Bonds.

have been finalised within the last 24 months, refinance is defined as Eligible Green Assets and Projects finalized more than 24 months ago. The distribution between new financing and refinancing will be reported in SCA's annual Green Bond Report. Operating expenditures qualify for refinancing with a maximum three-year look-back period before the issuance year of the Green Bond. Green assets shall qualify without a specific look-back period if, at the time of issuance, they follow the eligibility criteria.

Exclusions

Proceeds from Green Bonds will not be allocated or linked to fossil energy generation, potentially environmentally negative resource extraction (such as rare-earth elements or fossil fuels).

Furthermore, SCA is committed to have effective control measures in place to avoid:

- illegally harvested wood
- wood harvested in violation of traditional and human rights (for example forced or child labour)
- wood harvested in forests in which high conservation values are threatened by management activities
- wood harvested in forests being converted to plantations or non-forest use
- wood from forests in which genetically modified trees are planted

¹⁾ For the avoidance of doubt, only the value of Green Assets and Projects (as defined in this framework) within the acquired company can be eligible for Green Bonds.

Eligible Green Categories

Eligible Green Projects and Assets must fall within one of the following Eligible Categories. Each Use of Proceed category is described through a non-exhaustive list.



1. Valuable forest

GBP Green Project Category

- Environmentally sustainable management of living natural resources and land use
- Biodiversity conservation

Contribution to Environmental Objectives

- Climate Change Mitigation
- Protection and Restoration of Biodiversity and Ecosystems



Use of proceeds

Proceeds can be used for capital expenditures, assets, ownership, acquisition, tree nurseries and responsible forest management as well as related R&D and selective operational expenditures that increase the lifetime or value of assets which all provide positive climate and environmental benefits.

Forest management

Financing of forestland, forests management such as nurseries, harvesting, silvicultural operations, pre-commercial thinning, restoration of native forests, R&D, restoration of native forest and conservation of biodiversity that all have a certification (or will have a certification within 12 months) from the Programme for the Endorsement of Forest Certification (PEFC) and/or the Forest Stewardship Council (FSC).

Contribution

SCA works proactively to enhance forest value through long-term, careful management. Each harvested tree is replaced with two to three new tree seedlings, that origins from SCA's nurseries, forming the cornerstone of a sustainable bioeconomy. Since 1940, SCA has increased the standing stock of timber by 60% and the annual harvest of renewable, climate-positive wood products from 2 to 5 million m³sub.

SCA's forestry aims to preserve biodiversity alongside timber production and all flora and fauna on our lands must have the conditions to continue living which require diverse habitats. Responsible forest management spans over 100 years, providing renewable, wood-based materials that meet consumer demands for recyclable products with a low carbon footprint.

SCA's responsibly managed forests sequester carbon dioxide and play a crucial role in preserving biodiversity and ensuring healthy ecosystems. SCA's forests also offer social values like recreation, job opportunities, and tax revenue. SCA is committed to sustainable forest management to ensure the health of forests now and in the future.

SCA's nature conservation strategy includes ecological landscape planning to determine which forests are designated for timber production and which should be preserved. SCA is committed to non-deforestation, deforestation-free supply chains, and reforestation after harvest.

SCA actively promotes biodiversity by setting aside conservation areas, restoring wetlands, and maintaining old-growth forests. The company collaborates with researchers and environmental organizations to continuously improve biodiversity practices.

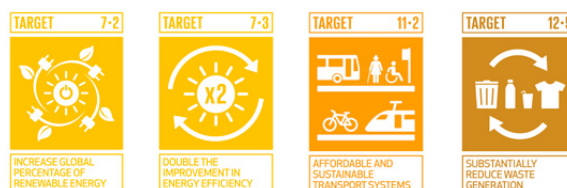
2. Fossil-free world

GBP Green Project Category

- Circular economy adapted products, production technologies and processes
- Renewable energy
- Clean transportation

Contribution to Environmental Objectives

- Climate Change mitigation



Use of proceeds

Proceeds can be used for capital expenditures, assets, ownership, acquisition, construction as well as R&D and selective operational expenditures that increase the lifetime or value of assets. Either with the aim to significantly reduce or eliminate the use of fossil fuels or to increase the substitution from fossil alternatives and to increase the share of zero-emission vehicles and machinery.

Renewable products

Financing of production technologies and processes including expansion and upgrades/modifications of facilities related to renewable and biodegradable products such as pulp, sawn wood products and containerboard using wood certified to PEFC and/or FSC forest management standards or wood being procured in accordance with the FSC Controlled Wood standard. All with the purpose of replacing fossil-based and other non-renewable materials with bio-based alternatives.

Renewable energy

Financing of production of renewable energy including energy and fuels from forest operations, conversion to renewable energy, replacing fossil fuels, renewable electricity production, such as turbines for co-generation from excess heat in the industrial processes as well as infrastructure to deliver surplus heat from SCA's plants and facilities as district heating to municipalities. This category also allows for financing of wind and solar energy.

Clean transportation

Financing of zero-emission vehicles such as battery-electric and hydrogen-powered machinery and equipment used at production sites or in the forest logistics.

Contribution

SCA owns several well-invested sawmills near forest assets and infrastructure, primarily serving the processing industry and industrial buildings. Pulpwood unsuitable for solid wood products, along with woodchips from sawmills, is used to produce pulp for packaging and hygiene products.

SCA's pulp mills also produce green chemicals and green electricity, as well as district heating and biofuel raw materials. Containerboard is produced in two pulp and paper mills, manufacturing products for corrugated board used in transport packaging, delivered globally.

SCA also co-owns one of Sweden's largest biorefineries, producing sustainable aviation fuel (SAF) and sustainable biodiesel (HVO).

SCA's forests also offer favourable sites for wind power production, contributing to Sweden's wind energy capacity, with about 20% installed on SCA land.



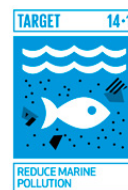
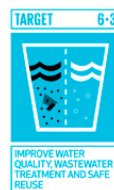
3. Efficient use of resources

GBP Green Project Category

- Pollution prevention and control
- Wastewater management

Contribution to Environmental Objectives

- Climate Change mitigation



Use of proceeds

Proceeds can be used for capital expenditures, assets, ownership, acquisition, construction as well as R&D and selective operational expenditures that increase the lifetime or value of assets. All of which aim to move waste upwards in the waste hierarchy and to increase the share of products and materials that can be reused or recycled as well as enabling life cycle greenhouse gas emissions savings.

Pollution prevention and control

Financing of waste management technologies, treatment, processes, replacement of fossil-based materials with bio-based alternatives, pollution-prevention to air and soil.

Wastewater management

Financing of wastewater technologies, treatment, processes for the protection of freshwater sources and implementation of water-use efficiency measures.

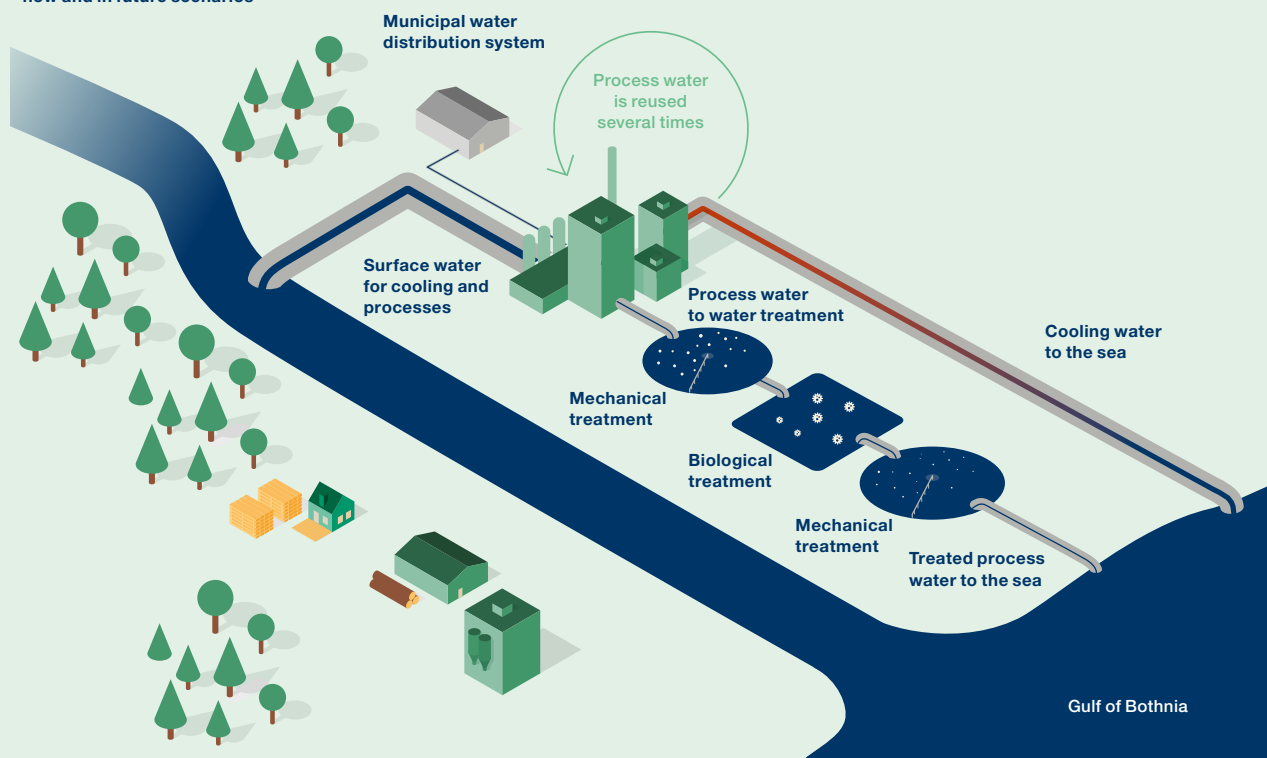
Contribution

SCA's operations entail the risk of negative impacts due to actual or potential emissions to water, air and land. The company's total emissions are influenced by the level of production, product portfolio and uniformity in production. SCA's production facilities hold environmental permits, which regulate emissions, among other parameters. The company has control systems in place to ensure compliance with permits issued and to quickly flag if a fault were to arise. A number of procedures exist to minimize the risk of emissions in connection with forestry measures and follow-up includes internal on-site audits.

SCA requires its suppliers to minimize risks for emissions in the value chain. Fossil emissions are reported in the Climate change section.

Almost 100% of all water used is returned to the recipient, which for SCA is the Gulf of Bothnia. The greatest share of the water, 70%, is used as cooling water and has never been in contact with the process so it can be discharged directly at a slightly elevated temperature. Some 30% of the water is process water reused in several stages before it is eventually treated both mechanically and biologically before being discharged.

SCA's industries are located in areas with low water stress – now and in future scenarios



Process for Project Evaluation and Selection

Project evaluation and selection is a key process in ensuring that the Assets and Projects financed by Green Bonds meet the Eligibility Criteria set out in the Use of Proceeds section.

The process of evaluating and selecting Eligible Green Projects and Assets as well as the allocation of Green Bond Proceeds to Eligible Green Projects and Assets comprise of the below steps:

1

Prior to any new transaction of green bonds, the Sustainability Director and Treasury representatives makes an initial evaluation of the current investment portfolio and potential eligible assets in the balance sheet to ensure that the new transaction can be allocated to Eligible Green Projects and Assets.

2

After any transaction of green bonds, the Sustainability Director and Group Treasurer submit a proposal to the Sustainability Council, "SC", of the allocation of proceeds to Eligible Green Projects and Assets. SC then verifies and approves that the allocation proposal is in line with the Eligibility Criteria and approves the proposed impact KPIs for coming Green bond reports.

3

The decision to allocate proceeds requires a consensus decision by the SC. The decisions made by the SC are documented and filed.

4

Once an allocation is decided the "Green Register" is updated with the new allocation. The Green register is held and monitored by Business Control, together with Sustainability experts that provide annual updates on agreed impact KPIs for each allocation decision.

5

Once the net proceeds from the transactions are fully allocated there is an annual monitoring by the Sustainability Director that the Eligible Green Project or Asset, to who the net proceeds are allocated, still meets the eligibility criteria.

6

In the case where an Eligible Green Project or Asset no longer meets the eligibility criteria outlined in this Framework (e.g. following divestment, liquidation, other concerns regarding alignment with eligibility criteria), the SC will adjust the allocation accordingly, i.e. a re-allocation following steps 2–4 above.

Sustainability Council (SC)

SCA has a Sustainability Council that is responsible for co-ordination, monitoring, and prioritizing within the SCA group's sustainability work. Green bond related responsibilities described above are included in that responsibility and in addition approving any changes or updates to the Green Bond Framework, approving the Green Bond Reports and identifying and managing environmental and social risks. The SC convenes at least four times a year or when otherwise considered necessary, green bonds are on the agenda when deemed necessary.

The SC has the following permanent members Sustainability Director (Chairman), Chief Financial Officer, Senior Vice President

Communications, Senior Vice President Human Resources, President Forest, President Renewable Energy and SC may consult other internal and external stakeholders when necessary.

The SC holds the right to exclude any Eligible Green Asset or Project already funded by Green Bond net proceeds. If an Eligible Green Asset or Project is sold, or for other reasons loses its eligibility, funds will then follow the procedure under Management of Proceeds until re-allocated to other Eligible Green Assets or Projects, as described above.

Management of Proceeds

SCA maintains a Green Register with the purpose to monitor allocation of net proceeds from Green Bonds to Eligible Green Assets and Projects. SCA intends to allocate the proceeds from Green Bonds at the earliest convenience and to the extent possible reach full allocation within two financial years. Information about the split between financed and refinanced assets will be included in the annual Green Bond Report.

Any unallocated proceeds will be temporary managed by SCA Group Treasury according to SCA's Finance Policy and

held as cash. Relevant information regarding the issuance of Green Bonds, as well as Assets and Projects financed or refinanced will be monitored and documented. The balance of the proceeds will be checked at least annually to account for any need to re-allocate proceeds which no longer fulfil the Eligibility Criteria. The Green Register will form the basis for the impact and allocation reporting.

Reporting

SCA is committed to transparent allocation and impact reporting on Green Bonds. SCA will continue to provide an annual Green Bond Report at least until full allocation and on a timely basis in case of material developments or any re-allocation of any issued Green Bonds. Where relevant, SCA will seek to align the reporting with the latest standards and practices as identified by ICMA in the Handbook Harmonised Framework for Impact Reporting issued in June 2024.

The Green Bond Report will provide information on the allocation of the proceeds of Green Bonds and the environmental impacts of Green Bond Projects. The Green Bond Report will, to the extent feasible, also include a section with methodology, baselines and relevant impact metrics. The Green Bond Report will be made publicly available on SCA's website.

If competitive considerations, or a large number of underlying Assets and Projects limit the amount of detail that can be made available, SCA may present information in generic terms or on an aggregated basis.

Allocation Reporting

The allocation report will, to the extent feasible, include the following components:

1. A list of all Eligible Green Assets and Projects funded, including amounts allocated to each category as defined in the Use of Proceeds section.
2. The relative share of new financing versus refinancing.
3. A closer description of some of the Eligible Assets and Projects financed.
4. Geographical distribution.
5. The amount of unallocated proceeds.

Impact Reporting

SCA recognises the importance of transparency and impact reporting and will strive to report on the actual or expected environmental impact of the investments financed by Green Bonds according to the example metrics outlined in the below table.

These metrics may change over time subject to providing a relevant understanding of the impact. If the actual impact of an Eligible Asset or Projects cannot be systematically measured and reported (e.g. R&D), or proves unreasonably difficult to establish, SCA will seek to provide information on the goals, estimated positive impact and results of the financed activities.

| Category | Example impact indicators |
|-----------------------------------|---|
| Valuable Forests | <ul style="list-style-type: none"> • Allocated sustainably managed forest area (ha) • Annual growth (m³) • Net carbon sequestration (tonnes of CO₂e) • Downstream climate effects of harvested wood (tonnes of CO₂e) • Number of tree seedlings produced / planted • Area of activities targeted for promoting biodiversity¹⁾ (ha) • Trends of impact metrics related to biodiversity and ecosystem change |
| Fossil-free world | <ul style="list-style-type: none"> • Net change of carbon storage in harvested wood products (tonnes of CO₂e) • Potentially prevented greenhouse gas emissions through delivered wood-based products (tonnes of CO₂e) • Annual renewable energy generation (MWh per year) • Annual energy savings (MWh) • Annual greenhouse gas savings (tonnes of CO₂e emissions) • Number of electric/low-carbon vehicles, machinery and/or equipment financed |
| Efficient use of resources | <ul style="list-style-type: none"> • Efficient management of waste (tonnes per year) • GHG savings (tonnes of CO₂e emissions) • Emissions of suspended solids treated or avoided (tonnes) • Reduction in discharges of pollutants to water (tonnes of phosphorus, nitrogen and other pollutants per year) • Water savings (m³ per year) |

External Review

Second Party Opinion (pre-issuance)

SCA has appointed S&P Global Ratings as an external reviewer to provide, in accordance with the Guidelines for External Reviews developed by the Green and Social Bond Principles, an independent ex-ante Second Party Opinion on SCA Green Bond Framework. The full Second Party Opinion and this Framework will be publicly available on SCA website.

External verification (post issuance)

At least until full allocation SCA will engage an independent external auditor, or other third party to verify the internal tracking and allocation of funds from Green Bonds. This will confirm that the allocation has been carried out in all material respects in compliance with the Eligibility Criteria set forth in this Framework and are in accordance with the applicable reporting requirements. The Green Bond Report and the related verification will be available on SCA website.

¹⁾ Such as Nature conservation measures in voluntary set-asides, measures taken as combined targets or adapted retention, prescribed burning for biodiversity conservation, wetland restoration projects.

Publicly available documents

The Green Bond Framework, Second Party Opinion and Green Bond Reports will be publicly available on SCA's website, sca.com.

Click on links below to download documents

| | |
|---|-------------------|
| Annual and sustainability report | ↗ |
| Sustainability policy | ↗ |
| SCA's Code of Conduct | ↗ |
| Supplier Code of Conduct | ↗ |
| General corporate governance, ethics policies, other guidelines and instructions available on its company website | ↗ |
| Monitoring and evaluation of our forestry operations at SCA Forestry | ↗ |

Production: SCA in cooperation with Hallvarsson & Halvarsson.

Photo: Mattias Andersson, Mattias Bodell, Michael Engman, Göran Ekström, Jimmy Gunnarsson 550px Getty Images, Olle Melkerhed, Per Simonsson.

Illustrations: Nadja Nörbom, Robin Franzén, Bold och FMCA (3D-rendering).



