SCA Pulp

# Certified forest products

**IEBOLAGET SCA** 



## Responsibly managed forests with a positive impact

Our forests are to be at least as rich in biodiversity, nature experiences and raw material in the future as they are today. To preserve biodiversity, one tree out of five on our productive forest land is left to live and ultimately, to become a part of the natural circular ecosystem.

Growing forests and renewable products mean that we can leave more fossil carbon in the ground, which is key to reach the climate goals set by the United Nations. Forest certification provides a verified link between responsible forest management and the consumption of forest products. Certification also ensures that our customers steer clear from unexpected surprises. Certified products require traceability and a certified Chain-of-Custody (CoC) from the forest to the end customer. Meaning that our customers are a vital part of the chain. As Europe's largest private forest owner, our forests are certified according to FSC<sup>™</sup> (Forest Stewardship Council<sup>™</sup>) and PEFC<sup>™</sup> (Program for the Endorsement of Forest Certification<sup>™</sup>).

### FSC

Forest Stewardship Council<sup>™</sup> (FSC) is an independent, international organisation that promote environmentally appro priate, socially beneficial, and economically viable management of the world's forests. SCA has been FSC certified since 1999.

FSC has established fundamental principles and criteria for responsible forest management. For example, these principles call for the protection and preservation of biological diversity and other natural values, as well as supporting forestry operations that are economically viable in the long-term. This contributes to the development of the local community. The new FSC forest management standard for Sweden. Introduced on 1 October 2020, adds even greater emphasis on social interests, nature conservation and biodiversity for example, that certain forests should be used with specially adapted methods.

The regulations are developed in collaboration between stakeholders representing, among others; environmental NGOs, labor unions, Indigenous Peoples, and companies.

ASI (Accreditation Services International) accredits certification bodies empowered to ensure that FSC's standards are met with the auditors granting certificates attesting to their compliance. Audits are carried out annually. FSC is supported by major environmental organisations in all parts of the world, among them WWF. Read more at www.fsc.org

### PEFC

Programme for the Endorsement of Forest Certification<sup>™</sup> (PEFC), is an international non-profit, nongovernmental organization dedicated to promoting sustainable forest management through independent third-party certification. PEFC promote good practices in the forest and aims to ehnsure that timber and non-timber forest products are produced with respect for the highest ecological, social, and ethical standards.

PEFC is based on small-scale family forestry conditions and have national certification standards in line with the international PEFC guidelines. PEFC supports small landowners to gain recognition in the marketplace thereby making a lasting contribution to livelihoods and rural development. To date, several hundred-thousand familyand community-owned forests have acquired PEFC certification. The demand for PEFC-certified products has risen steadily in recent years. SCA has been certified according to PEFC since 2011. Read more at www.pefc.org **Meticulous source control is crucial** Certified product requires traceability and a certified Chain-of-Custody (CoC) from the forest to the final customer. In the certification process, the entire chain from forestry operations to finished product must be documented before products are labelled as FSC or PEFC certified. A CoC-certificate is required for every link in the chain.

The wood we purchase from our trusted, long-term suppliers always complies with FSC Controlled Wood or PEFC Controlled Sources.

Controlled wood is uncertified material from acceptable sources that can be mixed with FSC-certified material in products that carry the FSC MIX label.

SCA also complies with the European Union Timber Regulation (EUTR 995/2010), aiming to counter illegal logging and ultimately contribute to sustainable management of forests not only in the member states, but also beyond EU borders.





Certification helps to expand responsible forestry. Today's companies and consumers are increasingly buying certified products as part of their sustainability work and environmental commitment.

### FSC

The General Assembly is FSC's highest decision-making body. The GA is divided in three chambers for economic, ecologic, and social stakeholders respectively, and a decision requires a majority vote in every chamber. FSC's forestry standards are developed according to the three-chamber system, which ensures a balanced influence from all stakeholders. The GA adopted a new set of principles and criteria in 2011, which will afford the FSC certification more uniformity between countries.

### **FSC Certifications**

The raw material input is linked with the output of certified products for a specific product line. All the raw material fibre for the FSC-certified product line must come from controlled sources. No raw material may come from controversial sources, for example forests where high conservation values are threatened by harvesting. In Sweden, this applies to any timber that comes from woodland key habitats that are harvested contrary to recommendations from the Swedish Forest Agency. This means that the FSC's drive for responsible forest management is being expanded into forests that are not certified. CoC, as well as the control of uncertified raw material, are audited by accredited certification bodies.

FSC 100 percent, is a certification ensuring that all the raw material is FSC-certified.

An alternative to FSC 100 percent is FSC Mix. It is materials from FSCcertified forests that are mixed with FSC Controlled Wood from approved sources that may have an FSC Mix label. This label may also contain recycled fiber.

The producer keeps a record of the volume of FSC certified timber that is being supplied and a corresponding share of the products may then be certified. These are referred to as FSC

credits and must be used to produce FSC-certified products within a 24-month period or they are forfeited.

The CoC-standard also demands a strict control of uncertified raw material.

### FSC products from SCA

SCA delivers FSC-certified products only on request and only to FSC-certified customers. This is to avoid deliveries of FSC-products outside the CoC, to avoid that FSC is wrongly used as a unique selling point and to reduce the risk of misusing the FSC label in the market.

### **Options for FSC Mix**

For FSC Mix there are two options for certification, where SCA uses the volume credit system:

- The minimum share system The fibre material in the product contains more than 70 percent FSC certified fibres (and the rest of the fibre material meet the requirements in the standard for Controlled Wood).
- The volume credit system The producer holds a volume credit account where the input of FSC certified fibre is documented. A corresponding share of the production may then be sold with the FSC-label.

Both systems can be applied in the same CoC and the FSC share must be recalculated accordingly. As with other FSC standards, the CoC standard is audited by an accredited auditor.

### PEFC

PEFC is an umbrella organisation for national forest certification systems. It works by endorsing national forest certification systems developed through multi-stakeholder processes and tailored to local priorities and conditions. Each national forest certification system undergoes rigorous third-party assessment against PEFC's unique sustainability benchmarks to ensure consistency with international requirements.

### **PEFC Certifications**

The traceability standard is international and therefore common to all national

PEFC certification systems. Two different methods are used to follow wood raw materials through the supply chain from forest to end user. Chain-of-Custody certificate is required from all companies involved in the chain.

In one method the company separates certified raw material and products from non-certified material by using different storage places.

In the other method the company calculates the share of certified wood or products in a purchased lot. SCA Pulp applies the latter method. For labelling the product must contain at least 70 percent certified wood.

Several different options are available to label products and use different claims, depending on the tracking method used and the share of certified raw material. Here, SCA can assist to find the right certification level.

PEFC and FSC are not interchangeable. To sell FSC certified products you must hold an FSC Chain-of-Custody (CoC) -certificate and likewise for PEFC.

To use the PEFC logo a license is also required. The FSC standard requires both a license and approval each time the FSC logo is used. Active forestry has a central role in the transition from fossil to renewable raw materials. Responsible usage of the forest is fundamental in SCA's sustainability work and constitutes an important strategic resource for securing raw materials for our pulp products. In addition, we produce large amounts of green energy, such as green electricity or biofuel, responsibly refined in our pulp production.

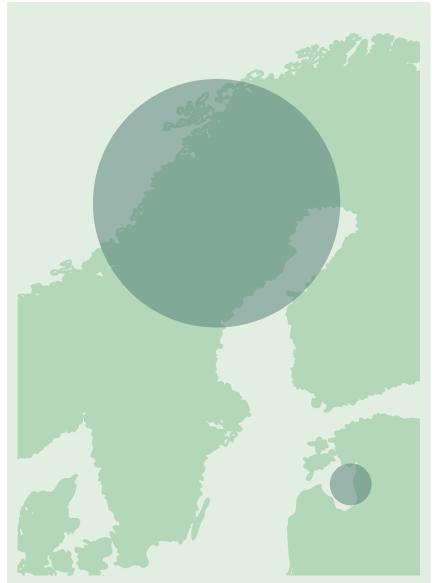
Active forestry in our growing forests is one of the most efficient ways to manage the carbon dioxide content in the atmosphere. Carbon dioxide is a major component in tree photosynthesis and growth, meaning that growing forests absorbs carbon dioxide from the atmosphere. By creating renewable products and materials from our growing forests, we retain coal and oil in the soil and thereby reduce the use of fossil raw materials.

We have never had as much forest as we have today. The latest forest survey performed in 2019, showed that SCA's standing timber volume is 11 million cubic metres higher than previously estimated. Our survey also shows that the annual growth is 1 million cubic metres higher than the previous estimate. Together with 5 million m3fo of forest in the Baltic states, SCA's total standing volume amounts to 261 million m3fo.

For each harvested tree, two new ones are planted and SCA's nursery is the world's largest. Every year, 100 million seedlings are grown; mainly pine and spruce but also contorta and larch.

Tree absorption of carbon dioxide peaks when the tree grows the most. Growth decreases with age and when the tree is about 80-100 years old, it is time to harvest to make room for new growth.

In 2021, SCA's climate benefit was 10.5 million tonnes of  $CO_2$  which equally corresponds to emissions from all passenger cars in Sweden.



SCA is Europe's largest private forest owner with 2.6 million hectares of forest an area equivalent to Belgium. Our forests are in the Northern part of Sweden. We also have minor forest holdings in Estonia and Latvia of 44,000 hectares.

### SCA Pure SCA Star SCA Cirrus

The pulp from SCA Pulp holds both the FSC and PEFC traceability certification labels. All SCA owned forests are both FSC and PEFC certified. Timber that is not from SCA's own forest is purchased by SCA and fulfills the FSC Controlled Wood standard as a minimum. The core of our business is the growing forest. Around this unique resource, we have built a welldeveloped value chain based on renewable raw material from our own and others' forests. We offer paper for packaging, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions.