

Joint press release from SCA and St1

SCA and St1 enter joint venture to produce and develop liquid biofuels

SCA and St1 have entered a joint venture to produce and sell liquid biofuels. SCA will supply tall oil to the joint venture and will invest approximately SEK 0.6 billion in the company. SCA and St1 will be equal shareholders of the joint venture, which will itself have a 50% share in the St1 Gothenburg Biorefinery, which is now making an investment in a biorefinery with total capacity of 200,000 tonnes of liquid biofuels, estimated to a total investment cost of SEK 2.5 billion. The new biorefinery will be operational in Q2 2023.

“Partnership with SCA is a key element in the implementation of our renewable fuels investment program and it secures the supply of renewable feedstock materials to meet the ambitious Nordic climate targets for 2030”, says Henrikki Talvitie, CEO of St1 Nordic Oy.

“In line with our communicated long term strategy, we will now with the joint venture with St1 go from being a supplier of tall oil to the chemical and fuel industries to becoming active in the further refining of our renewable raw materials”, says Ulf Larsson, President and CEO of SCA. “We will continue to develop the business potential of the renewable by-products we have from our forests and industries in order to further develop our value chain and to contribute to the EU’s ambitious climate strategy.”

The new biorefinery is under construction on the St1 refinery site in Gothenburg and will have a total capacity of 200,000 tonnes of liquid biofuels. It is designed to optimize production of renewable HVO diesel and biojet fuel and to use tall oil-based feedstock. The joint venture will have access to SCA’s tall oil, a by-product from the kraft pulp production at SCA’s mills in Östrand, Obbola and Munksund. The biorefinery will also be capable of using a wide range of other feedstocks and is expected to be operational in Q2 2023.

As part of the agreement, St1 also becomes a 50% owner of SCA Östrand Biorefinery. The Östrand biorefinery project has recently received environmental permits for the production of 300,000 tonnes of liquid biofuels based on black liquor (a by-product from kraft pulp production) and solid biomass (such as sawdust or bark). The biorefinery in Östrand is a development project where a number of technological challenges remain to be solved before a project design can be finalized.

Stockholm September 20, 2021

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St1 Nordic Oy is a Nordic energy group whose vision is to be the leading producer and seller of CO2-aware energy. The Group researches and develops economically viable, environmentally sustainable energy solutions. St1 focuses on fuels marketing activities, oil refining and renewable energy solutions such as waste-based advanced ethanol fuels and industrial wind power. The Group has 1250 St1 and Shell branded retail stations in Finland, Sweden and Norway. Headquartered in Helsinki, St1 employs currently more than 1000 people. www.st1.com

The core of SCA's business is the growing forest, Europe's largest private forest holding. Around this unique resource, SCA have built a well-developed value chain based on renewable raw material from the company's own and others' forests. SCA offer packaging paper, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions.

2020 the forest products company SCA had approximately 4,000 employees and sales amounted to approximately SEK 18.4 bn (EUR 1.8 bn). SCA was founded in 1929 and has its headquarters in Sundsvall, Sweden. For more information, visit www.sca.com

Invitation to press conference September 20 2021 at 10.00 CET

The press conference can be attended via webcast at SCA's and St1's web sites or by telephone.

At the press conference St1 will be represented by Henrikki Talvitie, CEO of St1 Nordic Oy, and Timo Huhtisaari, Director Sustainability & Future Business, St1 Nordic Oy. SCA will be represented by Mikael Källgren, President Renewable energy, and Toby Lawton, CFO.

The press conference will be webcast live at www.sca.com and www.st1.com. It is also possible to participate by telephone by calling the following numbers. You need to call in on one of these numbers to be able to ask questions during the press conference:

Sweden: +46 (0)8 5069 2180

Finland: +358 (0) 942 450 806

UK: +44 (0)2071 928000

US: +1 631 510 7495

Specify "SCA" or the conference ID: 5293876.