2025

ANNUAL REPORT

SCA

The formal Annual Report comprises pages 69–216. The Sustainability statement includes pages 96–163 and the Corporate Governance Report includes pages 84–95, both of which form part of the Board of Directors' Report.

The official Annual Report for 2025 is prepared in Swedish in the European Single Electronic Format (ESEF). This can be found via the SCA website: sca.com. The English version is a translation of the Swedish original.

Contents

This symbol takes you back to the table of contents.

ABOUT SCA

Introduction

Strategy and value creation

Operations

The share and the shareholders

"As a shareholder, you own part of our growing forests and a strong, well-developed network of industries built by SCA over the years."

Read more in the CEO's message

REPORTS

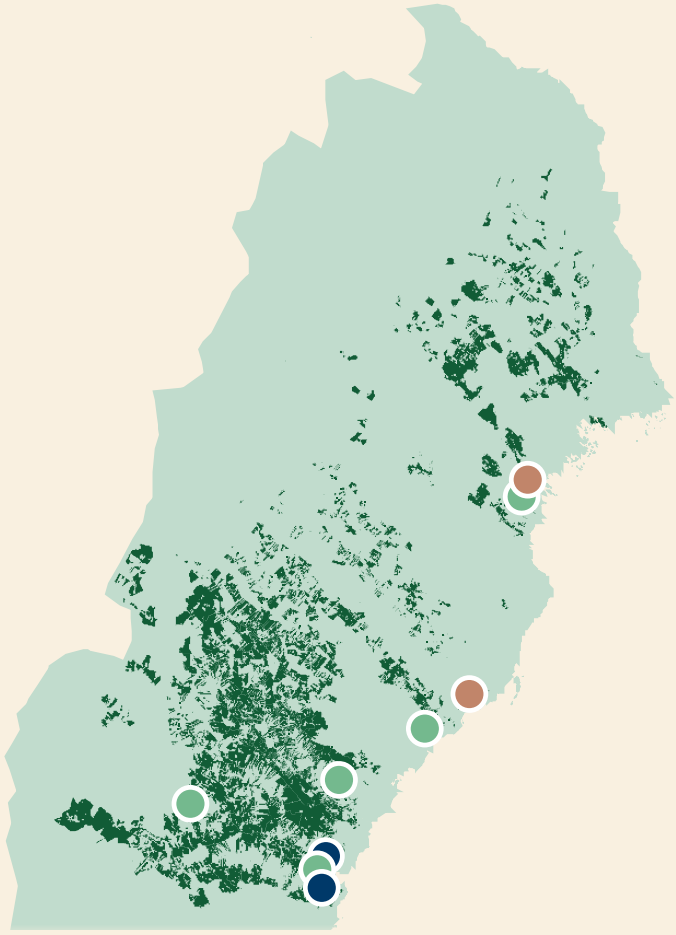
Board of Directors' Report

Financial statements and notes

Other

This is SCA

SCA is Europe's largest private forest owner with 2.7 million hectares of well-managed forest land in northern Sweden, Estonia, Latvia and Lithuania. Responsible and long-term forest management creates the greatest possible value for the forest, the economy and future generations.

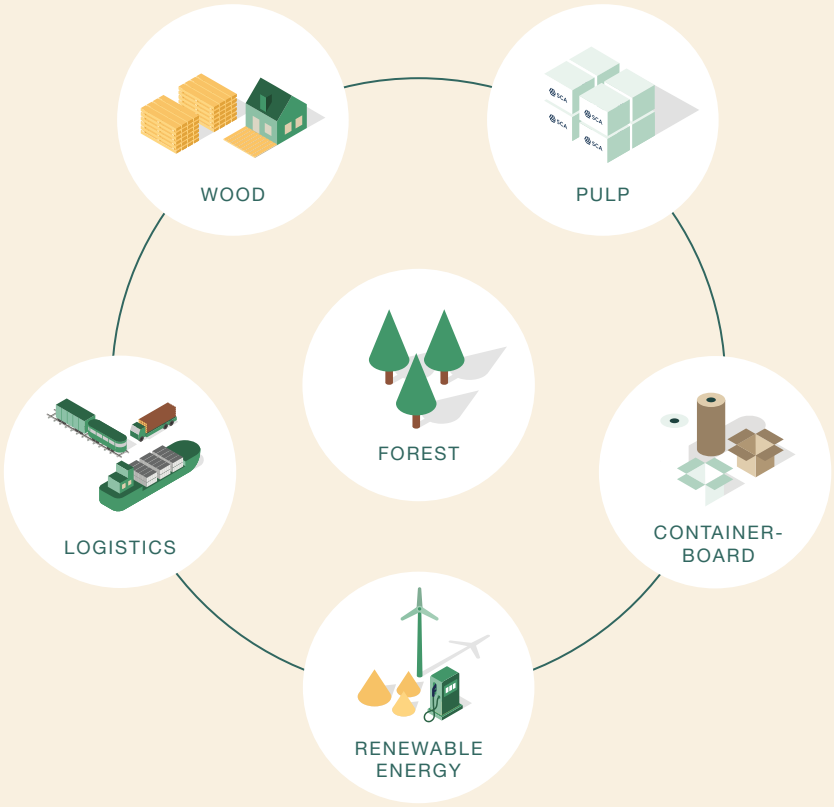


2.7
million hectares

- Pulp mills
- Sawmills
- Kraftliner mills
- SCA's forest holdings

How SCA's business is structured

The forest is at the core of SCA's operations. SCA has built an industrial ecosystem around this unique resource, utilizing the entire tree to maximize its value. The integrated value chain ensures resource-efficient production of renewable products, contributing to climate benefit, biodiversity and long-term profitability.



Forest
The forest is at the core of SCA's operations and is managed responsibly, utilizing the entire tree. The raw material is used in SCA's integrated and well-developed value chain to maximize value creation in and from the forest. Forest land also provides value in the form of biodiversity and recreation.

Wood
SCA operates a competitive sawmill industry, producing high-quality solid-wood products from the most valuable part of the tree. The sawmills represent an important source of income for forest owners and serve as the engine of SCA's value chain. By-products from sawmills are subsequently used to produce pulp, packaging paper, energy and chemicals.

Pulp
Most of the wood that is unsuitable for use in solid-wood products becomes high-grade pulp. Production takes place in modern, energy-efficient facilities that also produce green electricity, heat, liquid biofuel feedstock and green chemicals.

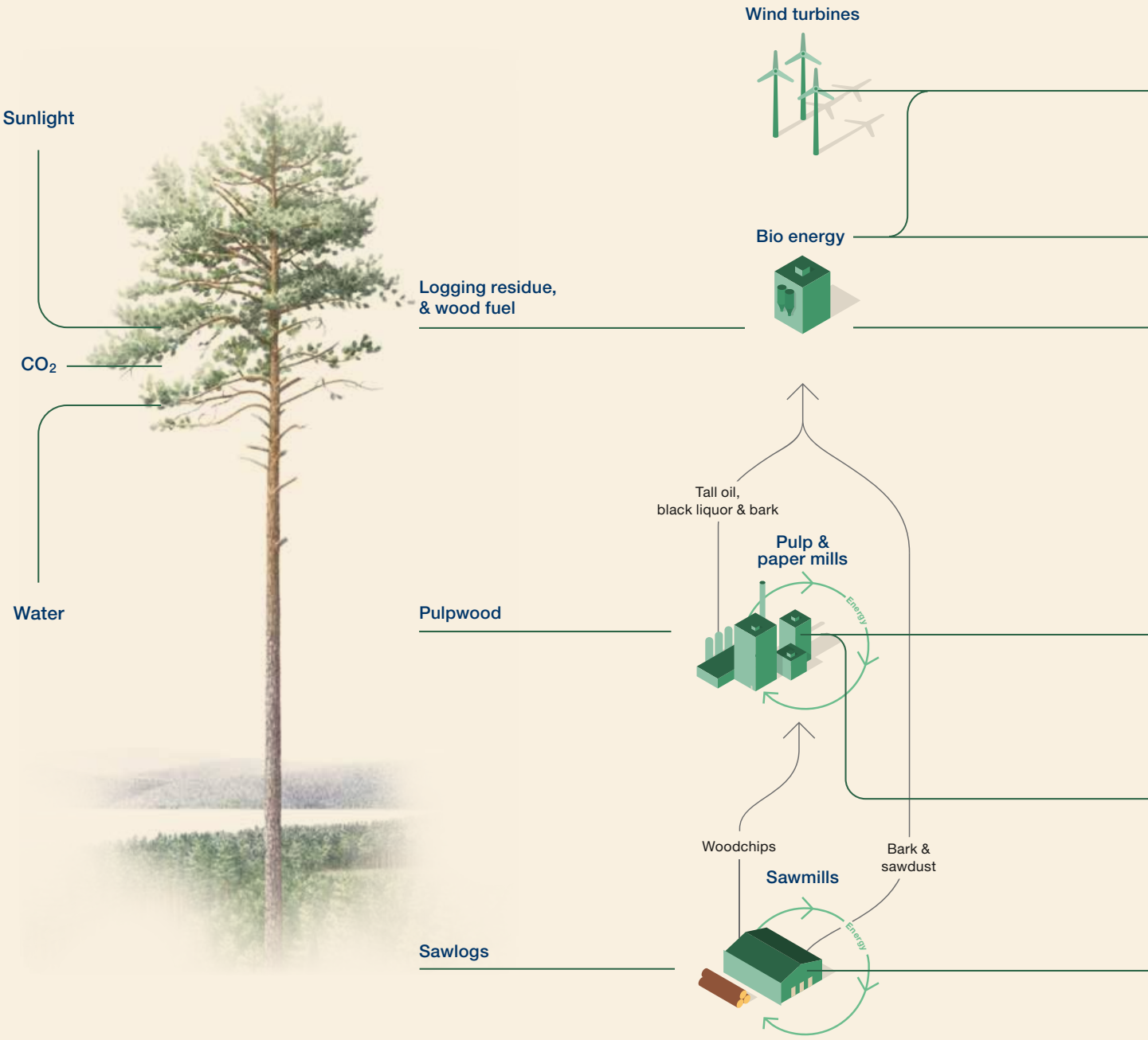
Containerboard
SCA produces high-quality packaging paper, customized to meet demand for sustainable and efficient packaging solutions. The entire tree is utilized in integrated paper mills, enabling production of green electricity, heat, liquid biofuel feedstock and green chemicals.

Renewable Energy
SCA produces renewable energy in the form of liquid biofuel, solid biofuel and green chemicals from the raw materials that are not used for solid-wood products, pulp or packaging paper. SCA's forests also offer favorable conditions for wind power production.

Logistics
SCA operates a streamlined logistics organization that ensures cost-efficient transportation of raw materials to its industries and that finished renewable products reach customers across the globe. The high degree of logistical self-sufficiency ensures stability, control and long-term competitiveness across the value chain.

Growing forests make the green transition possible

Trees from SCA's well-maintained and growing forests form the foundation of SCA's business model and are at the core of an advanced industrial ecosystem based on renewable resources. By utilizing the entire tree, SCA maximizes the value created and supports a circular economy. This is financially efficient and climate-smart, while also helping society replace fossil materials and fuels.



The forest forms the foundation of the operations...

...and is processed in well-invested industries...

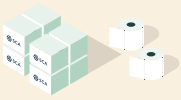
Electricity

Heat

Pellets

Liquid biofuels

Pulp



Containerboard

Solid wood products

...that produce climate-smart and renewable products...

Profitable growth

Fossil-free world

More valuable forests

Efficient use of resources

...which generate value in society.

The year at a glance

In 2025 – a year characterized by a soft market, increased trade barriers and currency movements – SCA's integrated value chain and high degree of self-sufficiency in strategically important areas created a basis for effective cost control. This yielded an EBITDA margin of 32% for the full year, demonstrating the Company's resilience and operational strength.

Net sales
20,427
SEKm

EBITDA
6,564
SEKm

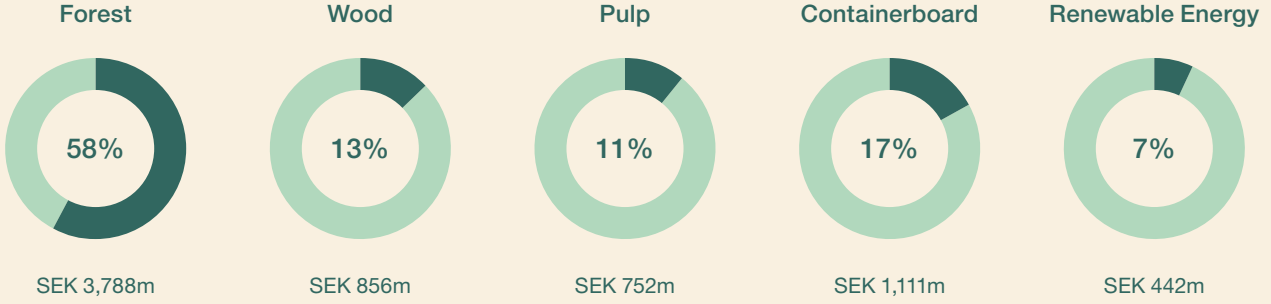
EBITDA margin
32%

Earnings per share
4.56
SEK

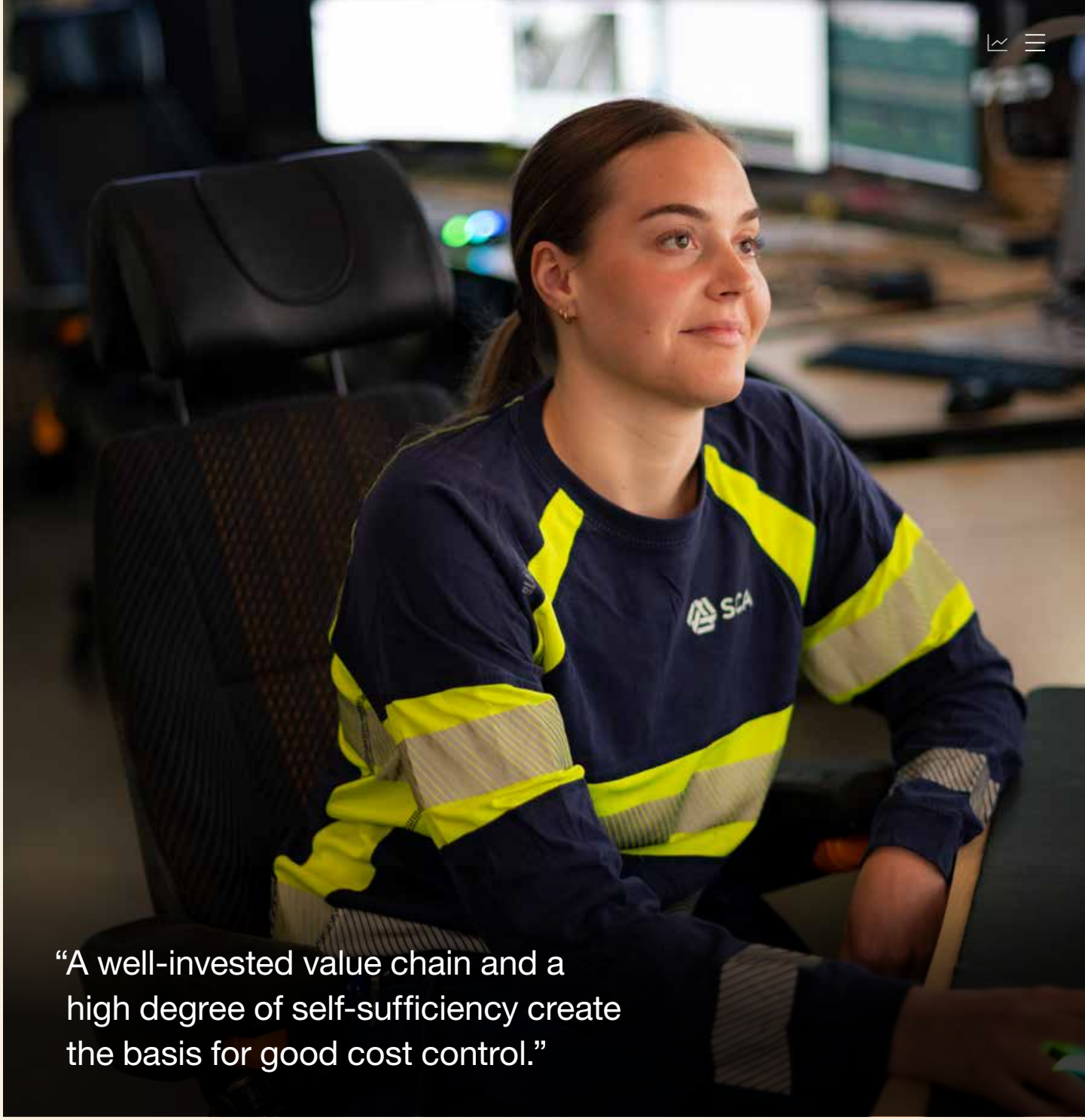
Dividend per share
3.00
SEK

Climate benefit
12.0
million tCO_2eq

EBITDA, share of Group 2025[1)]



[1)] SEK –385m is recognized in Other.



Key figures

SEKm	2025	2024
Net sales	20,427	20,232
EBITDA	6,564	7,143
EBITDA margin, %	32.1	35.3
Operating profit	4,432	5,027
Operating margin, %	21.7	24.8
Profit for the period	3,205	3,639
Earnings per share, SEK	4.56	5.18
Proposed dividend per share, SEK	3.00	3.00
Operating cash flow	3,078	3,187

SEKm	2025	2024
Strategic capital expenditures	1,273	689
Forest assets	103,766	107,329
Capital employed	112,460	114,920
Industrial return on capital employed, %	4.4	7.3
Net debt/EBITDA	1.7x	1.5x
Average number of employees	3,508	3,456
Accidents, LTA per million hours worked	3.9	3.1
Climate benefit, million tonnes of CO_2	12.0	12.3

CEO’s message

From seedling to customer – SCA creates value every step of the way

On the last day of December 2025, SCA could report another year of stable margins, delivering an EBITDA margin of 32%. Achieving this in a year of global economic weakness and the headwinds that faced the broader forest industry underlines the value of a constant focus on integrated value chains with high efficiency, good self-sufficiency and optimal capacity to maximize the value of each tree.

The forest is the foundation of SCA's operations and is managed through active and responsible forestry where the entire tree is utilized. The renewable raw material is sourced equally from our own forests and from those of private forest owners. Combined, these raw material flows form the foundation of SCA's value creation, benefiting shareholders, employees, local communities and Sweden at large.

This value creation is manifested in concrete results: SEK 3.2bn in profit, another year of stable dividends and 3,500 full-time employees at the Company, primarily in northern Sweden's rural counties. In parallel, forestry and SCA help to combat climate change. The forest's capacity to store carbon grows year by year as mature trees are harvested and replaced with more and increasingly vigorous seedlings. This is how we can use forests and simultaneously see net growth in the form of an increasing volume of standing forest over time.

When forest raw material is used to replace plastic in packaging, concrete in structures or fossil-based energy sources, society avoids releasing new fossil emissions into the atmosphere. Overall, SCA's operations have a significant positive climate effect, offsetting approximately 25% of Sweden's combined domestic emissions during the year. SCA also works actively to protect and strengthen biodiversity in our forests as a central part of long-term, responsible forestry.

Good conditions for pursuing active forest management are crucial for SCA, but also for Sweden as a sustainable industrial nation. Occasionally, this can lead to disagreements and conversations that are important and necessary to be part of. For this reason, over the past number of years SCA has engaged in dialogue within the FSC™ certification body on the challenges and shortcomings where the regulatory framework for forestry certification leads to unnecessary lock-in effects, limits opportunities to create greater climate benefit and unintentionally disadvantages sustainable Swedish forestry compared with less sustainable forestry in other parts of the world.

In 2025, these discussions were intensified and the Company is currently in active and constructive talks with FSC. The hope is to identify pragmatic solutions that will enhance the added value of certification.

Around the forest, which is renewable but always in limited supply, SCA has developed industrial value chains that have been optimized over an extensive period of time to maximize the value and utilize every fiber of a precious resource. Efficiency at all stages, from high-growth seedling material to transportation solutions all the way to the customer, is a hallmark of SCA. It is this combination of a long-term value-adding approach and operational excellence that enables global competitiveness based on slow-growing forests in northern Sweden. This provides a resilience that is particularly valuable when markets falter due to weak underlying demand as well as wars, regional confrontations and global trade disputes involving swiftly imposed tariffs.

By recognizing the value of efficiency at all stages and a high degree of self-sufficiency in critical areas, SCA is motivated to invest systematically and on a large scale to make improvements across the value chain. Work is underway at our facilities to gradually ramp up new capacity in industries that are already highly efficient. Quarter by quarter, this meticulous process is enabling greater and more efficient production of packaging paper in Obbola, solid-wood products in Bollsta and market pulp in Sundsvall, for example.

Similarly, we are seeing that our latest investment in Tunadal port in Sundsvall is creating better conditions for higher profitability and lower climate impact. Having direct access to a port that can handle the largest vessels that can traffic the Baltic Sea enables us to coordinate large-scale transportation, reducing both cost and emissions per tonne. While this is already yielding benefits today, it could become an even greater advantage in pace with higher regulatory costs on maritime transport emissions.

We are also seeing that profitability for our renewable fuel business, which refines tall oil from our pulp mills into fossil-free vehicle fuels, is growing as a result of requirements to increase the blending of renewable liquid biofuel in, for example, jet fuel.

> "Good conditions for pursuing active forest management are crucial for SCA, but also for Sweden as a sustainable industrial nation."

For SCA, it is important to nurture and manage the forest in order to gradually increase its contribution to a sustainable future, and for renewable and circular fiber to be used resource-efficiently and continuously generate value.

Our responsible and active utilization of the forest creates thousands of jobs in northern Sweden while strengthening Sweden's trade balance. In parallel with industrial use, SCA also nurtures forest biodiversity, the experiences the forest offers and its importance as a basis for other industries.

As a shareholder in SCA, you own part of our growing forests and a strong, well-developed network of industries built by the Company over the years. In doing so, you also support the positive values SCA creates for the development of the forest, prosperity in Sweden and the global transition to a fossil-free society.

Finally, I would like to sincerely thank our employees, customers, and suppliers for their valuable partnership and contributions throughout 2025.

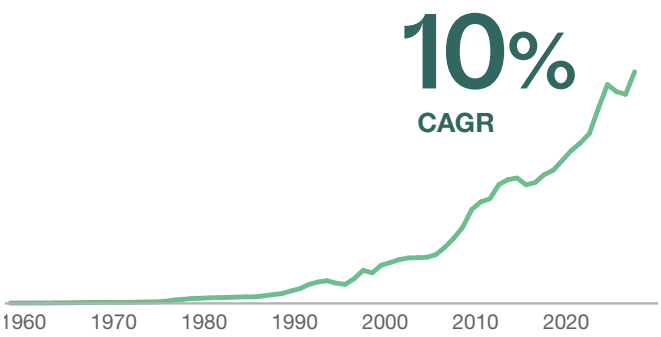
Ulf Larsson
President and CEO

SCA as an investment

With 2.7 million hectares of land, equivalent to an area the size of Belgium, SCA is Europe's largest private forest owner. This means that each share corresponds to about 38 m² of land. SCA has built a well-invested value chain around this renewable resource that maximizes the value of each tree. Combined with a high degree of self-sufficiency and state-of-the-art industries, this enables long-term and increasing returns for SCA's shareholders.

Stable and profitable value growth over time

Total return, forest in Sweden (index 1956–2025)



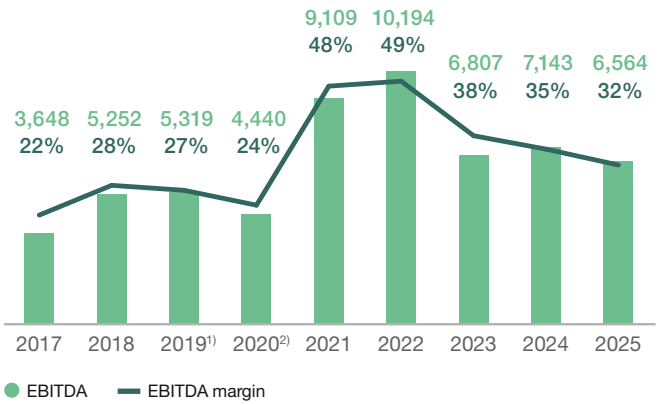
With 2.7 million hectares of land, SCA is Europe's largest private forest owner. Forest is a real asset that protects against inflation and generates stable profitability and value growth. Since 1956, forest assets have provided an annual total return of about 10%.

→ Read more on page 46.

Source: The Swedish National Forest Inventory, the Swedish Forest Agency, Ludvig & Co, the National Land Survey, Svefa, FutureVistas.
Note: Cash flow is reinvested in forest.
CAGR: Compound Annual Growth Rate.

A robust project portfolio that ensures competitive returns

EBITDA and EBITDA margin



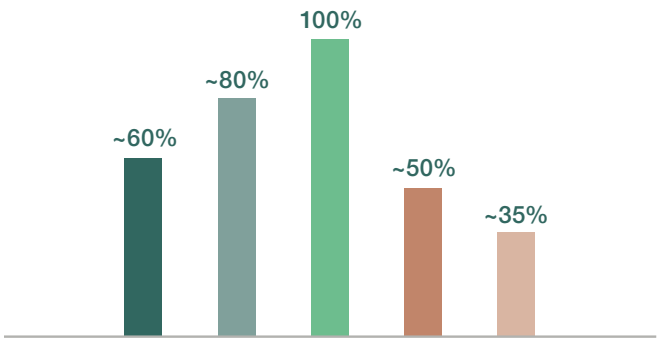
SCA is a forest company with modern, well-invested industries close to the forest holding. The Company has made important investments in the future in all product areas that have increased production, quality and competitiveness. The robust project portfolio comprising strategic capital expenditures in forest and industry ensures long-term competitive returns.

→ Read more on pages 18–19.

[1)] Excluding the impact of the changed accounting method for the valuation of forest assets.
[2)] Excluding the effect of one-off items related to the discontinuation of publication paper operations.

High degree of self-sufficiency provides stability in the cost base

Degree of self-sufficiency by area



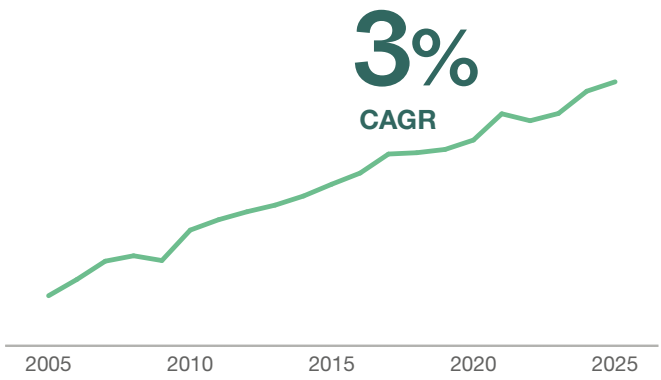
SCA uses the entire tree in an industrial ecosystem, ensuring efficient use of resources with ahigh degree of self-sufficiency in wood raw material, energy and logistics that largely counteracts cost increases. In parallel, competitive industries have a high payment capacity for wood raw material and secure the long-term value of the forest.

→ Read more on pages 20–21.

- Wood raw materials, M m³
- Electricity consumption, TWh
- Solid biofuels, TWh
- SCA Logistics, SEKbn
- Transportation fuel, ktonnes

SCA's products are meeting rising demand and contributing to a more sustainable society

Global demand for Containerboard



Historically, there has been a growing, long-term demand for all products manufactured by SCA, and these products also meet rigorous sustainability and quality standards. Renewable products, such as solid-wood products, solid biofuels and packaging paper made using biomass from SCA's forests, can replace fossil-based products, such as fossil fuels, plastics and concrete. SCA's products and forests have an increasingly important role to play in the transition to a more sustainable society.

→ Read more on pages 40–65.

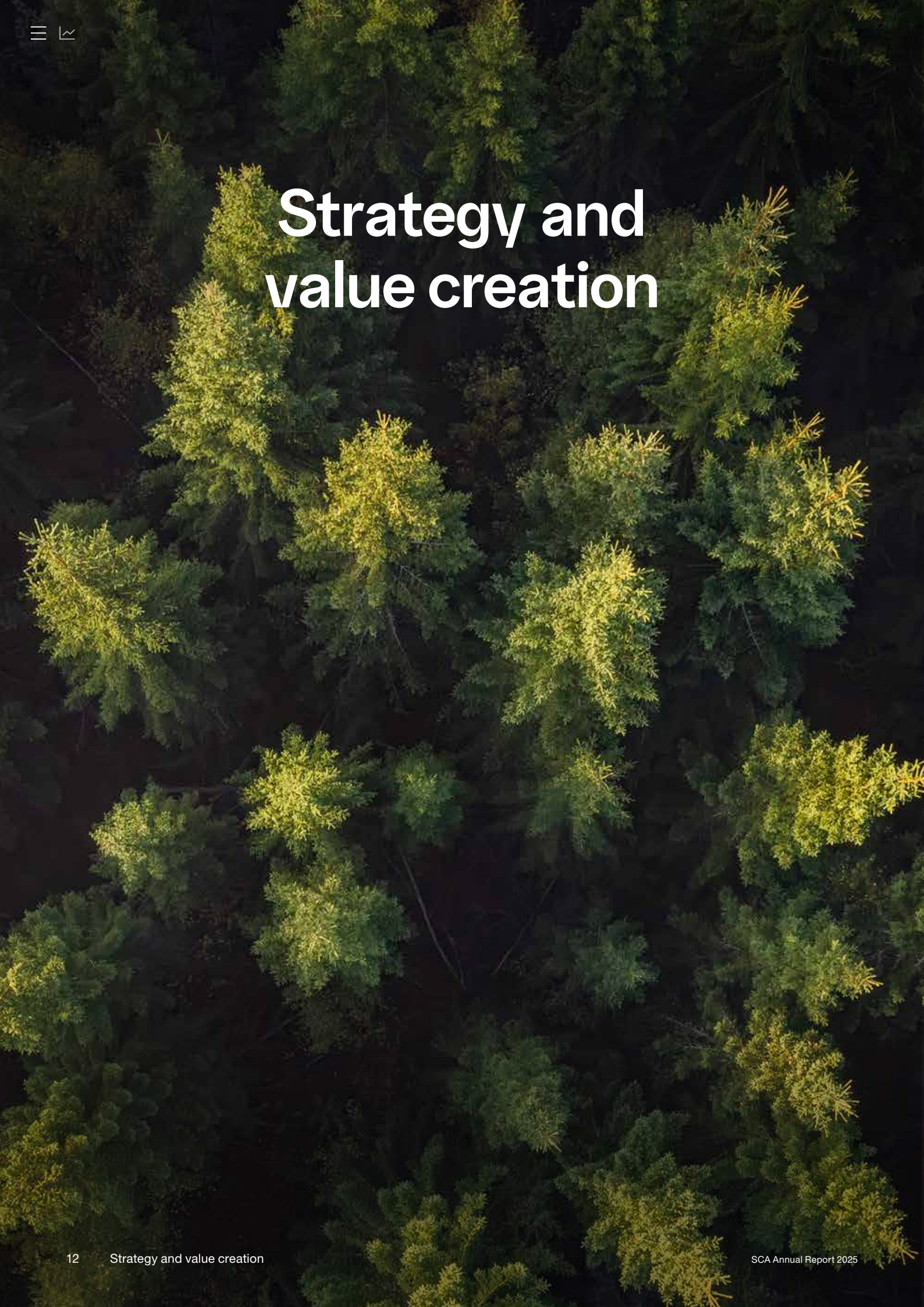
Source: Numera.
CAGR: Compound Annual Growth Rate.
2025 value is calculated as of October.

Stable and increasing dividend over time

SCA's dividend over time, SEK per share

Over time, SCA has delivered a stable and increasing dividend to shareholders in parallel with making major investments to ensure higher earnings. SCA has doubled its dividend since the split of the Company in 2017. For fiscal year 2025, the Board of Directors proposes a dividend of SEK 3.00 per share.

→ Read more on page 67.



Strategy and value creation

SCA and the macro environment

SCA's well-invested industries, high degree of self-sufficiency and competent employees have given the Company a stable foundation in times of uncertainty. The war in Europe and the conflict in the Middle East continued during the year, while weak economic activity and trade barriers fueled turbulence in global markets. In parallel, inflation has stabilized and policy rates have been reduced.

A year of uncertainty and transition
Following a few years of high inflation, Sweden's consumer price index with fixed interest rate (CPIF) has stabilized in recent years. For 2025, inflation was in line with the Riksbank's target of 2%. In line with the inflationary trend, the Swedish Riksbank has gradually cut its policy rate to offset the weaker economic situation. The development in Sweden has reflected the global trend, with several major economies cutting policy rates in pace with the easing of inflationary pressure.

The market situation in 2025 was uncertain, impacted by factors such as a weak economy, trade barriers and currency movements. This has generally presented challenges for the forest industry in the form of a market with weak underlying demand in several product areas.

As Europe's largest private forest owner, SCA's forest holding provides a valuable base for the supply of its own raw material. SCA's strategy combines forest holdings with well-invested industries, talented personnel and a high degree of self-sufficiency in energy and logistics. These factors combine to enable the Group to deliver an EBITDA margin of 32% even in a strained global economy. The structural need for climate-smart and renewable forest products to address the climate transition will remain over time. This demand is likely to give SCA a competitive advantage, both in the short and long term, and to strengthen the Company's position in the market.

Limited supply of wood raw material
For a number of years now, the supply of wood raw material has been limited, fueled by the war in Ukraine, pest infestations in Central Europe, and reduced harvesting in Canada and elsewhere. These supply bottlenecks combined with high demand have driven up timber prices in the market over time. In 2025, the upward trend in pulpwood prices slowed and prices stabilized at high levels before turning downwards toward the end of the year. The market for sawlogs in northern Sweden continued to report strong demand, particularly for spruce logs. This has increased the strategic and financial value of SCA's major forest holding. In the longer term, SCA-owned forest plays a crucial role in the production of climate-smart products that are in demand globally. It also ensures the supply of competitively priced raw materials to SCA's growing industries.

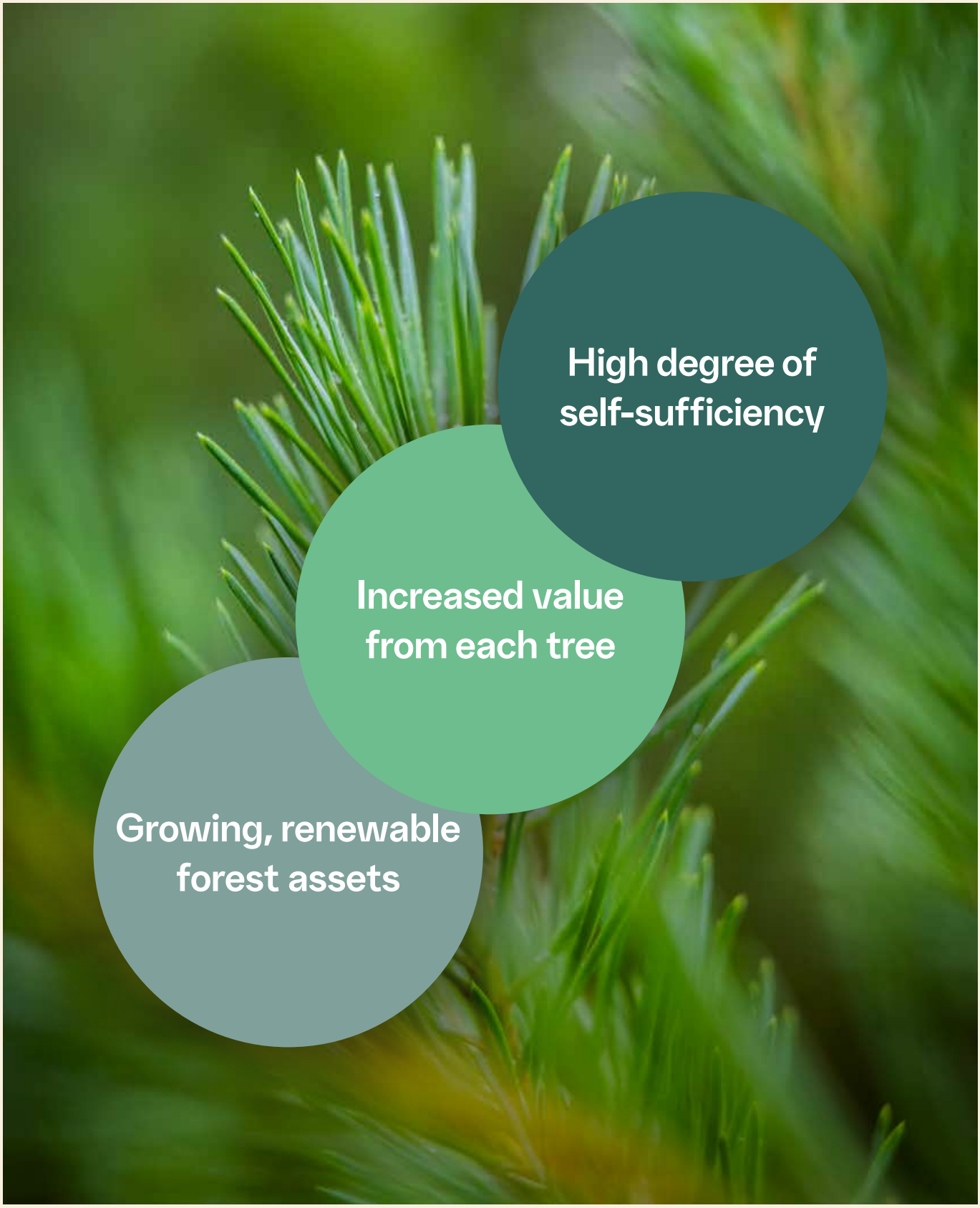
By-products play a key role in value creation in a weak economic environment
The long-term trend toward sustainably produced fuels, energy and packaging products reinforces the importance of utilizing the entire tree. In 2025, SCA's integrated value chain – in which value is created from the entire tree and waste is minimized – was a key driver behind the solid result. SCA operates well-invested industries that utilize forest by-products and add value to them. For example, tall oil from pulp mills is used in the production of green aviation fuel at the biorefinery in Gothenburg. Europe is gradually imposing increasingly stringent demands on fossil-free aviation fuel, suggesting a promising outlook for the future of fossil-free fuel production. Prospects are also good for by-products from the sawmills in the sustainable transition.


Forest by-products are processed into fossil-free fuels and energy.

Sustainable packaging materials face softer market
The pandemic created a surge in e-commerce and thus greater consumption of packaging materials from renewable raw materials, but this fell back to previous levels after the pandemic. Over the past year, the kraftliner and containerboard market has been softer, with demand for kraftliner slowing further in the second half of the year. During 2025, demand was negatively affected by the weak European industrial sector, while growth in e-commerce was normal. Looking ahead, demand is expected to continue to be driven by growth in e-commerce and complex supply chains, as well as a normalization of European industrial demand. SCA is Europe's third-largest producer of kraftliner and positions itself by offering a broad product portfolio that includes specialty products from Munksund and Obbola. Long-term demand for kraftliner is expected to continue to grow over time.

Weak demand for market pulp
The pulp market and softwood kraft pulp prices performed positively in the first quarter. However, the introduction of trade barriers in the second quarter increased uncertainty and prices have since fallen back. Demand for market pulp has been weak in Europe but recovered in Asia as prices fell. SCA's pulp mills – the Östrand kraft pulp mill and the Ortviken CTMP mill – are well-invested, state-of-the-art facilities. The Company has continued to focus on increasing its market shares in Europe and delivering profitability even in a challenging market environment.

SCA's strategy for profitable growth



High degree of self-sufficiency

Ensure a high and balanced degree of self-sufficiency in wood raw materials, energy and logistics

Invest in the integrated value chain

Increase containerboard, wood and pulp production

Realize business opportunities in renewable energy

Increase forest resource

Increase growth and harvesting

Acquire forest land in the Nordic and Baltic regions

Growing, renewable forest assets

SCA's growing forests – a strategic resource for long-term value appreciation

Sweden's forests are an important asset for both the climate and the economy. SCA is strengthening its raw material supply and creating forests that are increasingly rich in timber by applying active forest management methods, replanting and through strategic acquisitions. In this way, SCA can manufacture renewable products, increase growth and benefit the climate.

Growing forests for a better climate and stable value appreciation

SCA's vigorous forests act as a carbon sink, storing carbon in the trees. Once fully grown, carbon sequestration in the trees slows down and they are harvested to become renewable products that create financial value and continue to provide climate benefit.

SCA's forest assets also serve as a financial asset with stable value growth. Since the mid-1950s, forest assets have provided an annual total return of about 10%.

A responsible and long-term approach to forest management can reconcile financial profitability with climate and social benefit – and thus a growing, renewable forest asset functions as a strategic resource for SCA.

Good forest management increases the volume of raw material

SCA increases growth and harvesting potential through active and long-term management of forests. These are growing forests in which every harvested tree is re-planted with two to three new seedlings, thus building a larger and stronger forest base. This makes it possible to increase raw material flows, boost production of climate-smart products and ensure forests that are richer in timber.

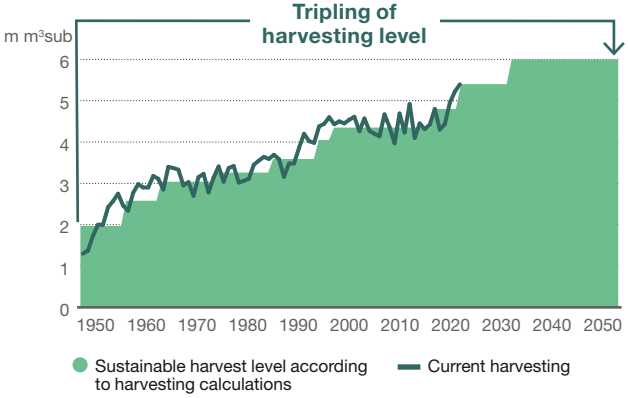
Good forest management has gradually increased the sustainable harvesting level since the late 1940s. In parallel with the increased harvesting level, the standing volume on SCA's land has doubled over the same period. Contorta pine, which has a much higher growth rate than Swedish pine, has made a significant contribution to this growth increase and the net sequestration of CO_2.

SCA has never had a larger standing volume than now. According to the forest management plan established by SCA, the standing volume will continue to rise over the coming decades, while harvesting can continue to increase. SCA manages its forests to ensure the highest possible level of sawlog production, which is the most valuable timber product.

Forest acquisitions to safeguard raw material supply

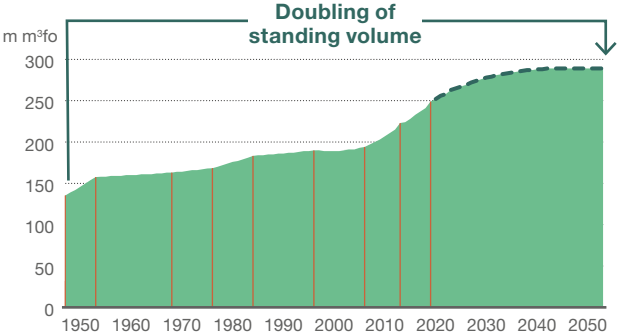
SCA wants to increase its forest holding and is acquiring forest where it can help to supply the Company's value chain. In the Baltic region, SCA has an ongoing program to acquire 100,000 hectares of forest land, about 80% of which has been completed. In Sweden, legal opportunities to increase the forest holding are limited. The Company is therefore endeavoring to improve conditions for forest management and the supply of wood raw material in the country through a combination of land purchases and sales. A larger forest holding provides a reliable supply of raw material, facilitates investments and allows for greater flexibility.

Harvesting in SCA's forests in Sweden (million m³sub)



Good forest management has gradually increased the sustainable harvesting level since the late 1940s. Over the next 10–20 years, it is expected to be able to increase even more. The graph is based on the most recent harvesting calculations performed in 2020.

Standing timber volume in SCA's forests in Sweden (million m³fo)



SCA has never had as much wood as it does now and the standing volume is expected to grow over the coming decades. The red lines show inventories conducted by SCA. The figures are forecasted from 2020 according to the latest inventory.

Well-managed forests yield climate benefit, financial values and stable value growth.

Contorta pine captures and stores a substantial amount of CO_2.

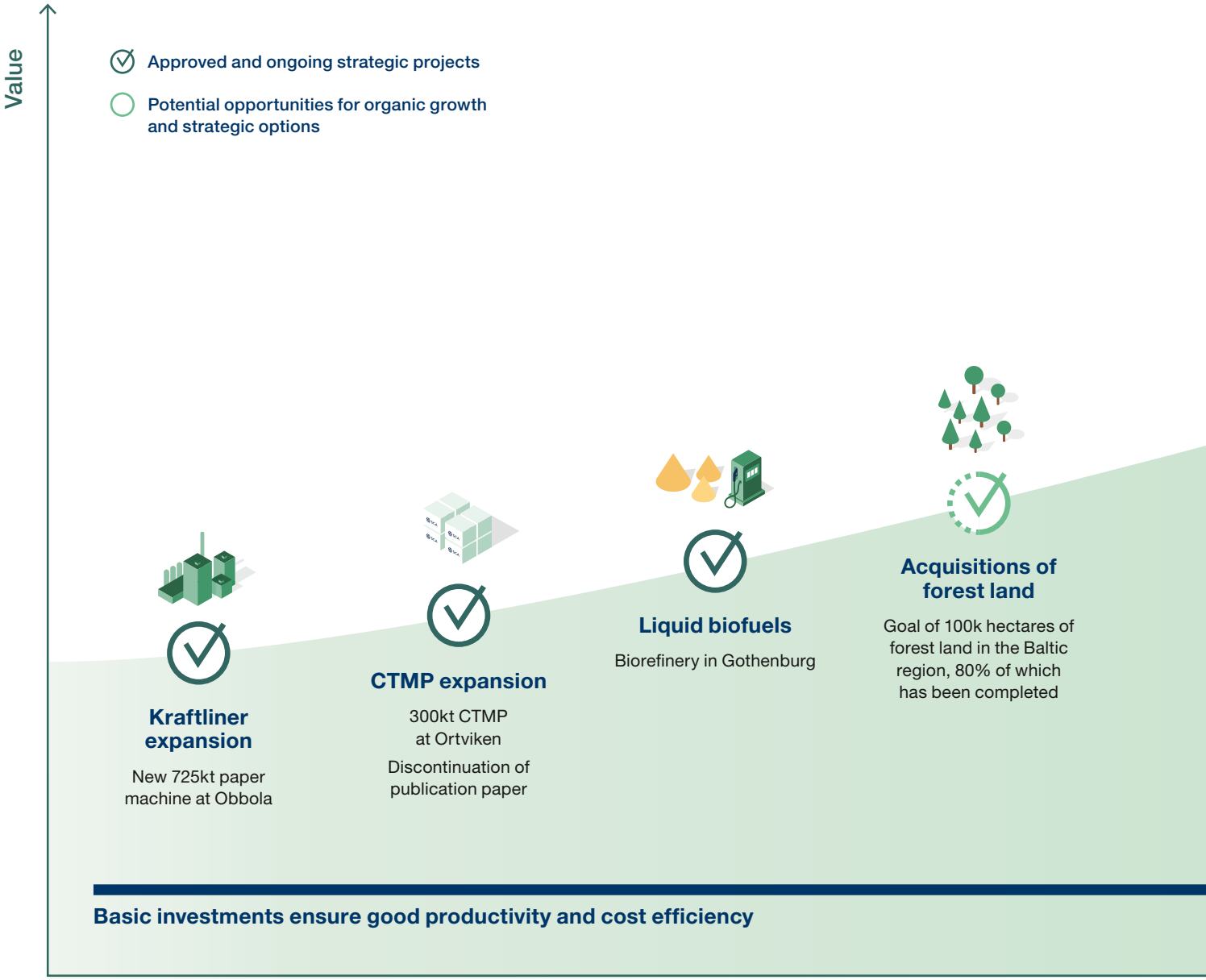
Fertilization can help forests grow faster.

Thinning creates scope for further growth.

Increased value from each tree

Strategic optimization of the project portfolio for higher profitability

SCA has spent many years developing the Company's value chain using a systematic approach to maximize the value of its own forest raw materials. Investments in the industrial structure are not only profitable on their own merits; they also add value throughout the chain, from the forest to the finished product.

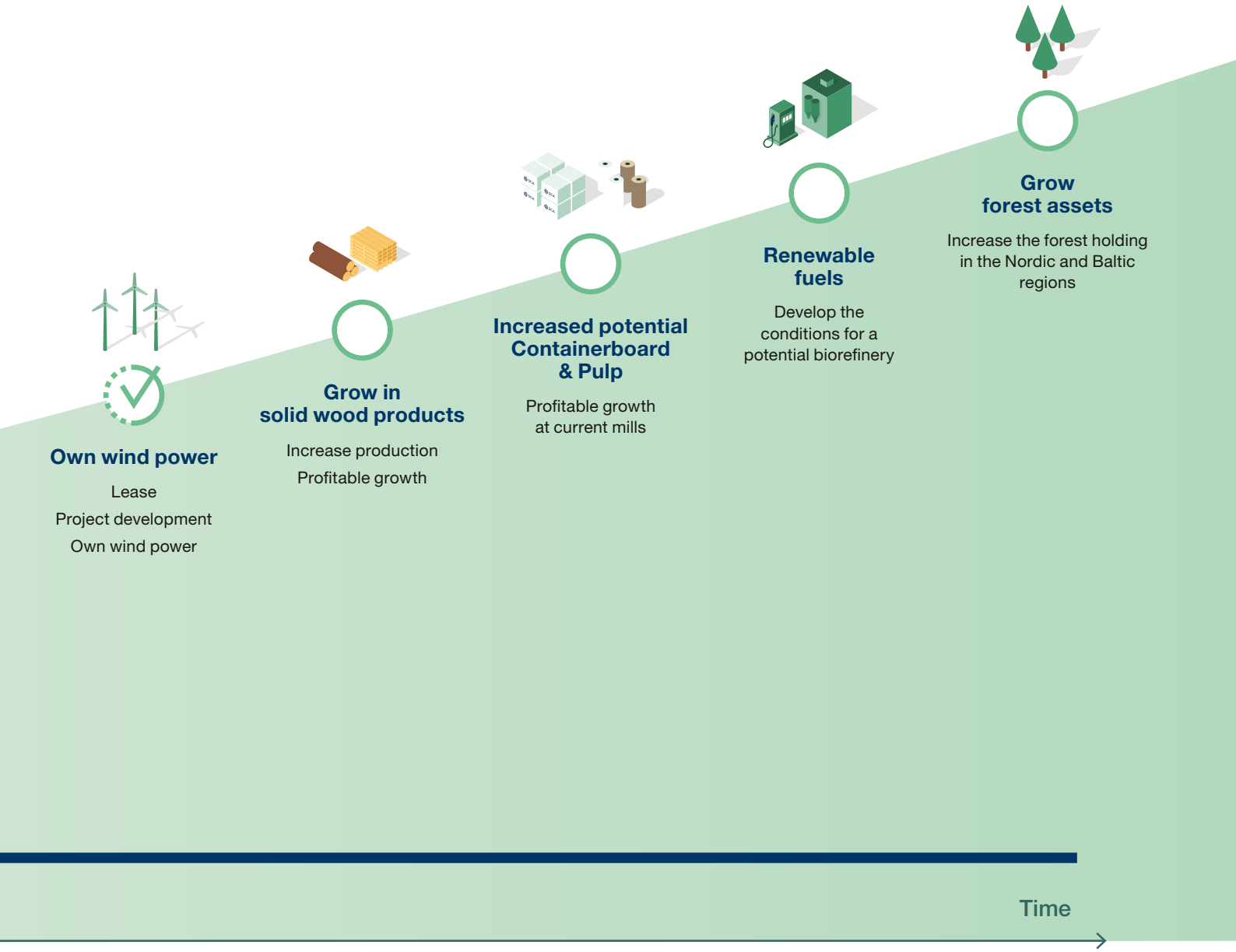


Over a number of years, SCA has made multi-billion SEK investments in industrial projects in northern Sweden. All major projects have now been completed and over the past year, the Company has put a great deal of effort into optimizing production to gradually reach full operational capacity. The production capacity of the kraftliner mill in Obbola has been significantly expanded, and SCA's pulp mill at Ortviken has been redesigned to produce CTMP pulp.

In parallel, the Company has continued to grow its forest resource, through good forest management and by purchasing and developing new forest land in the Baltic region over a number of years. The growing forest holding ensures that SCA has long-term access to wood raw material, which has also enabled the expansion of solid-wood products. Investments in sawmills, such as the Bollsta sawmill, have enabled SCA to strengthen its position in the global market as a result of its highly efficient production facilities. These investments also generate improved flows of by-products that can be processed and that create additional value.

The Company's self-sufficiency in wood raw material and its increased capacity in both production and logistics create scope for the continued development of industrial activities in northern Sweden.

As the industries are expanded and optimized, access to fossil-free electricity will become increasingly important for SCA. SCA's focus therefore remains on generating its own electricity and facilitating increased production of fossil-free electricity through the Company's wind power business. This also supports the Company's long-term strategy to maintain a continued high degree of energy self-sufficiency while reducing its carbon footprint.



High degree of self-sufficiency

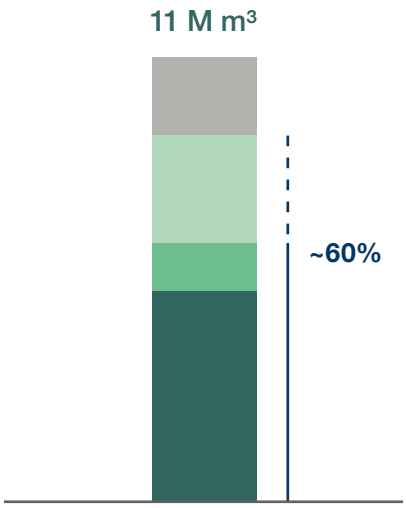
Self-sufficiency as a strategic resource for increased control

SCA's integrated value chain enables a high degree of self-sufficiency, which is a strategic resource that provides greater security. An extensive forest holding, its own energy generation and well-developed logistics operations create a basis for good cost control, while operations support the climate transition.

Wood raw materials

~60%

Degree of self-sufficiency

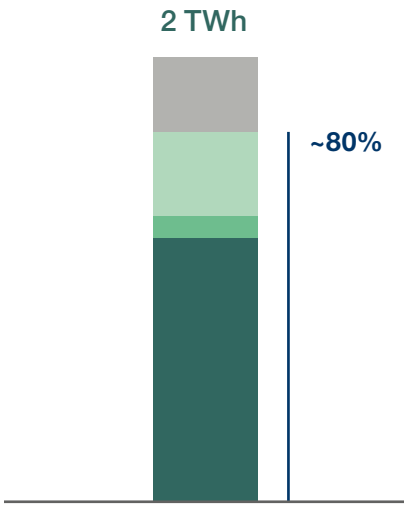


More than half of SCA's raw material needs are provided by wood from SCA's forests and woodchips from the Company's own sawmills.

Electricity consumption

~80%

Degree of self-sufficiency

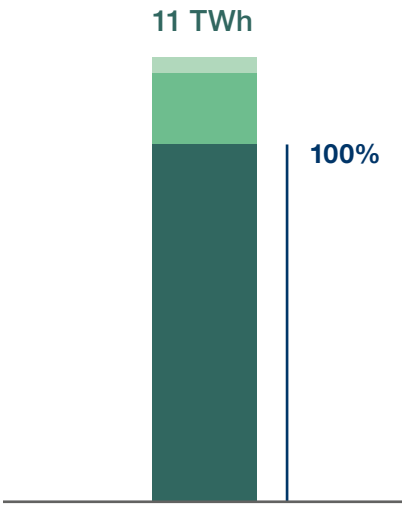


SCA's industries produce green electricity corresponding to approximately 1% of Sweden's consumption. In addition, wind power produces green electricity on SCA's land.

Solid biofuels

100%

Degree of self-sufficiency



As one of Europe's largest manufacturers of solid biofuel, SCA is more than self-sufficient. Biofuel not used by SCA is sold externally.

SCA can influence
SCA can partially influence

The forest is the core around which SCA's operations revolve. SCA has built an ecosystem of industries that utilizes and maximizes the forest's potential and value. A high degree of self-sufficiency in wood raw material ensures strong security of supply, stable cost control and long-term strategic development in an evolving market.

Energy is another area in which SCA has a high degree of self-sufficiency. The Company's generation of green electricity at its own facilities, combined with revenue from wind power on its own land, largely corresponds to its own electricity consumption. This balance between generation and consumption creates a level of cost security, reducing exposure to volatile electricity prices.

SCA has a substantial surplus of solid biofuels that can be offered to external customers. There is considerable untapped potential in SCA's solid biofuel production as society switches from fossil fuels to renewable alternatives. Accordingly, SCA contributes not only to its own stability, but also to the energy transition in society.

SCA's flexible and cost-efficient logistics organization ensures a stable supply of raw materials and input goods. SCA-operated logistics reduces dependence on external companies, creates resilience to disruptions in global transport flows and ensures reliable customer deliveries.

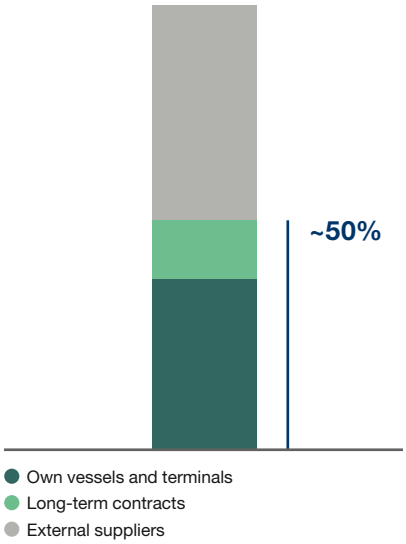
SCA's financial exposure to fuels is also reduced. SCA is partly compensated for high fuel costs through delivery of tall oil for liquid biofuel production. SCA has a jointly owned biorefinery with St1, where tall oil from SCA's kraft pulp production in Östrand, Obbola and Munksund forms part of the raw material used. The refinery is now operating at full capacity, producing enough fuel to meet a need equivalent to the volume required by Swedish domestic aviation.

Logistics

~50%

Degree of self-sufficiency

SEK 3bn



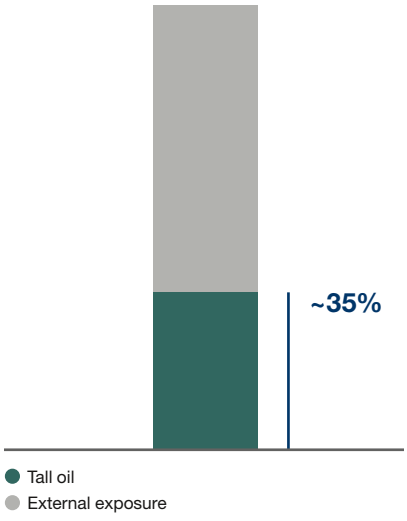
SCA has a logistics organization that operates its own vessels and terminals. This helps SCA counter market turbulence and secure customer deliveries.

Transportation fuel

~35%

Degree of self-sufficiency

140 ktonnes



SCA is a joint owner in a biorefinery in Gothenburg for manufacturing liquid biofuels. Tall oil – a by-product from pulp mills – is a raw material for fuel.

The many values of the forest

Through responsible management of the forest and efficient use of wood raw material, SCA generates significant climate benefit while contributing to the many values of the forest. Forestry is a societal backbone that connects the climate, economy and welfare – in this way, SCA contributes to building a sustainable future for Sweden.

Ecological values

SCA works actively to preserve and strengthen the ecological values of its forests, with a special emphasis on biodiversity. All species that can be found in SCA's forests today should be able to thrive there in the future. The Company takes nature consideration into account in all forestry operations, uses continuous cover methods where appropriate and sets aside high-conservation value forest. SCA also works proactively to preserve, develop and recreate habitats, for example, through prescribed burning.

Climate-related values

Forests add value to the climate in several ways. Growing forests capture and store CO_2, accumulating an increasingly large carbon sink over time. Some of the wood raw material will be turned into long-lasting, climate-smart products that store CO_2 throughout their lifetime. Other parts become renewable products that can be reused several times. Once the products have served their purpose, they can be incinerated and turned into bioenergy, whereupon the released CO_2 is captured and bound in new growing forests. Moreover, SCA's renewable and climate-smart products can replace fossil products that have a larger carbon footprint.

Social and cultural values

SCA's forests are a place that many people can enjoy year-round. The forests offer nature experiences, and opportunities for fishing and hunting. Many people also visit the forests to pick berries and mushrooms. SCA's forest management is adapted to the reindeer husbandry conducted on its land, and consideration is given to the ancient and cultural remains found in the Company's forests. In parallel, SCA plays a role in maintaining a vibrant countryside by supporting local associations and by creating jobs and facilitating trade and public services so that they can remain viable in smaller towns.

Economic values

Forests create the conditions that allow people to live and work throughout Sweden, especially in rural areas. The forest industry employs around 140,000 people in Sweden, and finances welfare through substantial tax revenues. The forestry industry is also a major net exporter. Because the imported input goods are minimal, much of the value remains in Sweden. Furthermore, forest value chains create significant value in other sectors, supporting growth and social development.

Ecological values

SCA's nature conservation strategy

SCA combines responsible forest management with active biodiversity conservation. This requires planning and consideration when forests are managed, as well as active efforts to improve conditions for biodiversity in carefully selected locations.

SCA's nature conservation strategy aims to combine productive and profitable forestry with active nature conservation that preserves and strengthens biodiversity. The strategy is based on a long-term approach, variation and consideration for nature across all forest operations. The goal is for SCA's forests to be at least as rich in biodiversity, nature experiences and raw material in the future as they are today, and for all wood raw material to be sourced from responsibly managed forests.

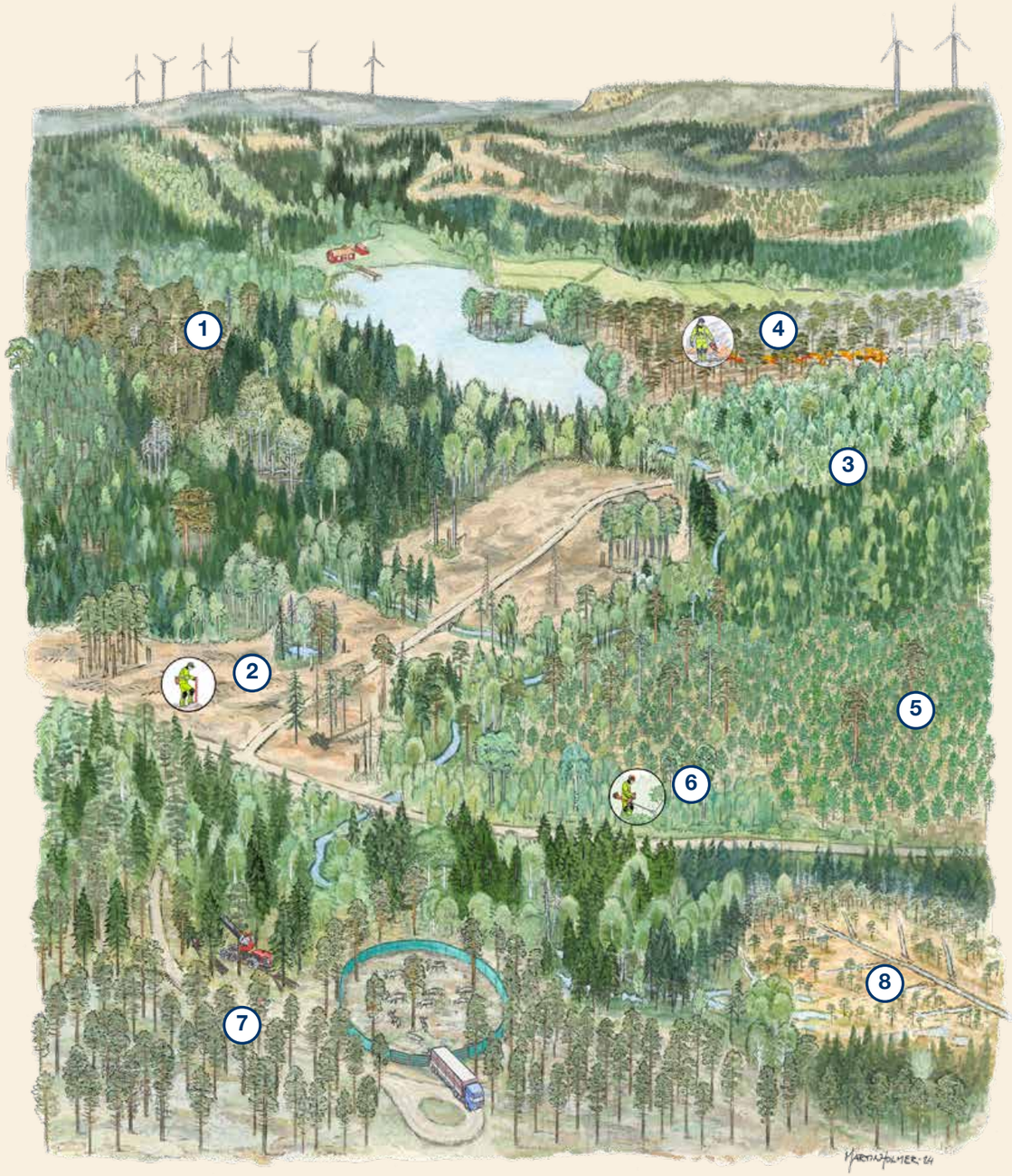
Biodiversity is about the diversity of flora and fauna in SCA's forests. They require different habitats to meet their needs for shelter, food and more. Some of these requirements relate to environments that are left undisturbed for a long time, while other requirements relate to environments that need to be constantly recreated in the forest landscape, such as fire-razed areas or older broad-leaved forests.

Here we illustrate a forest landscape with some of the habitats that we safeguard – either through consideration or active measures, today and in 40 years.

	Forest landscape today – 2025	Forest landscape in 40 years – 2065
1	This pine forest has very high nature conservation values and is therefore exempt from forestry, a so-called voluntary set-aside. Further down the slope is another set-aside area, an older spruce forest with a large proportion of deciduous trees.	Older forests that are not affected by fire, storms or insects change very little in 40 years. The pine forest has been allowed to develop freely, but measures will be required to preserve the conservation values in the long term. However, to preserve the conservation values of spruce forests, it is important that the forest is left untouched or that changes are only gradual.
2	The site has recently undergone regeneration harvesting. SCA has taken basic retention measures, leaving buffer zones and living and dead older trees. High stumps have been created to provide dead wood, which is crucial for many species. Spruce is planted in wetter areas and pine is planted on the dryer part of the regeneration site.	Forest that has grown here will soon be thinned. The buffer zone and the other trees left behind create variation in the new forest. Some old dead wood still remains, while new dead wood is added in the form of the trees left 40 years ago.
3	This area was cleared about ten years ago. Clearing spruce and retaining the deciduous trees in the upper part of the site has created a broad-leaved forest. Broad-leaved forests provide important habitats for many species. In the lower part of the site, most of the deciduous trees were cleared to create a spruce forest with a mix of trees.	The broad-leaved forest, now around 60 years old, is becoming mature enough for harvesting. Harvesting operations will be subject to combined targets, meaning that some timber will be extracted while biodiversity will be promoted. The spruce forest will be thinned and will become ready for harvesting in a few decades.
4	In the past, forests were often affected by wildfires and many species are therefore dependent on fire-impacted forests. To safeguard this habitat and the species that thrive there, prescribed burning is carried out in selected forests, like this one. After burning, the area has been set aside to promote conservation values.	Following the prescribed burning, some of the pines have developed a dense, resin-saturated wood that is important for many species. Burning has also created an abundance of dead wood. Through natural regeneration, the site has become an excellent pine forest comprising trees of different ages.
5	The site consists of young contorta pine, a fast-growing tree species. The site has recently been cleared. Some spruce, Swedish pine and deciduous trees were left to create variation in conjunction with both the harvesting of the old forest and clearing of the contorta pine forest.	The contorta pine forest is nearly ready for harvesting. After harvesting, a decision is made whether to replant contorta pine, to continue to take advantage of the species' high growth, or to plant Swedish pine.
6	Here, a young pine forest has just been cleared. Close to the road, the forest was sparse and there was an abundance of healthy deciduous trees. Therefore, most of the conifers were removed, with the aim of creating a broad-leaved forest. A buffer zone has been retained by the stream that runs along the edge of the site.	Thinning has begun in the pine forest. Deciduous trees have been left to create variety. The retained buffer zone provides a refuge for flora and fauna that appreciate shade and a cool environment. The broad-leaved forest has been thinned once and it will soon be time for a second thinning.
7	Reindeer herding uses large parts of SCA's land for grazing. The Company consults with reindeer herders and takes their needs into account in various ways. Here, the forest has been thinned to benefit ground lichens, an important food for reindeer. A screen of seed trees and tree groups has also been retained. The image shows a reindeer pen used to gather the reindeer for road transport by truck.	A new, naturally regenerated pine forest has grown up and the seed trees were removed about a decade ago. The pine forest was cleared when the trees were a few meters high to benefit, for example, ground lichens. Some of the trees retained in conjunction with harvesting 40 years ago have plenty of hanging lichen. During the winter, reindeer feed on the lichens that have blown down.
8	This site was once a wetland, but was drained in the 1940s to increase timber production. The drainage ditches are now being blocked to recreate the wetland environment. Wetlands serve as natural filters and are also important for biodiversity.	Improvements could be seen just a few years after the drains were filled in. Rewetting benefits wading birds and birds resting during spring and autumn migrations, as well as insects and amphibians. The mire has regained its ability to purify water and can bind nutrients and heavy metals from the surrounding land.

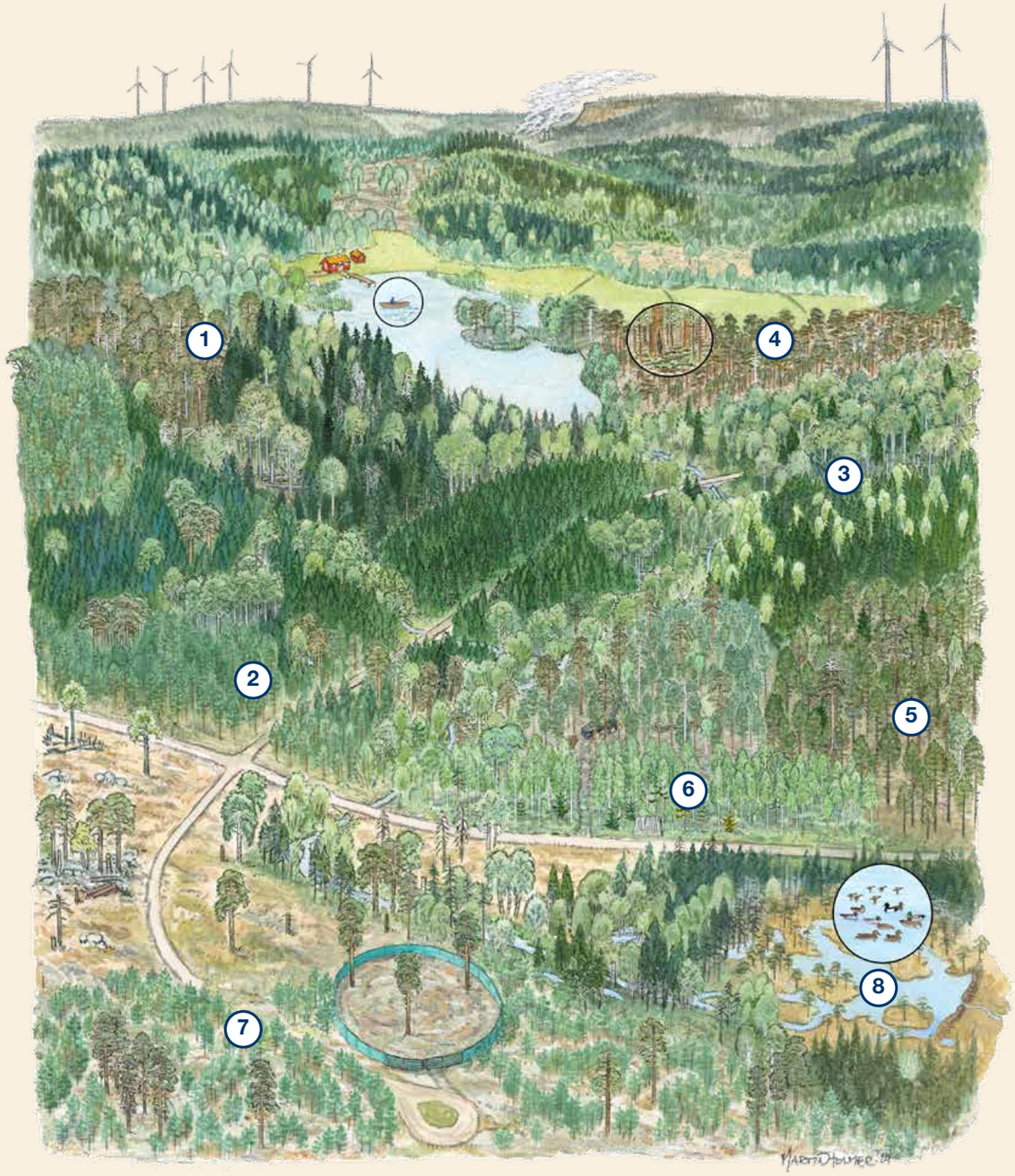
Forest landscape today – 2025

The forest is constantly changing and growing. This requires a vision of how to manage the forest sustainably, which encompasses both biodiversity as well as high timber production and continued high climate benefit.



The forest landscape in 40 years – 2065

Showing consideration and having management and nature conservation targets for the entire forest holding ensures a diversity of future habitats. This is the outcome we expect in 40 years, as a result of planning and active measures today.



Fold out the page to see an illustration of how the forest landscape can change in 40 years.

Prescribed burning and veteranizing pine trees are some examples of the proactive measures that SCA takes to promote biodiversity. These measures complement the basic retention that is always carried out in conjunction with harvesting and the areas left for free development.

Active measures create valuable habitats

While many species thrive with basic forest retention measures, some species have more specific habitat requirements. Certain species benefit from leaving forests to develop freely, while others require active measures to preserve, develop or create their habitats.

The need for active measures is associated with the history of the forest. In the past, forest fires and other disturbances were common, and flora and fauna adapted accordingly. Today, fires are efficiently extinguished, thereby changing the conditions for species that live in the forest. Mimicking fires and other disturbances therefore plays a crucial role in SCA's efforts to create the right habitats for various species.

Prescribed burning is one of the most effective nature conservation measures. This involves the controlled burning of forest, creating habitats for species that benefit from or depend on a fire-impacted forest for their survival.

Prescribed burning benefits a range of rare species. For example, hypocenomyce anthracophila thrives on burnt stumps, while the germination of geranium bohemicum is only triggered when it has been exposed to heat.

To complement the burning of entire forest areas, SCA has also begun to veteranize pine trees using a method called stem-base burning. In this method, individual pine trees are burned using a portable wooden structure (portable fire) placed at the base of a pine tree that takes about an hour to burn up.

The fire causes damage to the pine trees that is reminiscent of the damage many pine trees suffered in the past, when forest fires were more frequent. A pine tree develops a special type of wood when it is damaged by fire. The damage causes the tree to grow slowly, resulting in harder, resin-impregnated wood. Many fungi, insects and lichens are adapted to this type of wood, but they struggle today when forest fires are rare. It is therefore vital to proactively create more of this type of wood.

The portable fire is used when stem-base burning individual pine trees.

The portable fire method is particularly useful in areas where full-scale prescribed burning is not possible, for example due to reindeer husbandry or sensitive soil conditions.

SCA also veteranizes pine trees using a method called barking. Barking involves removing part of the bark and is also a way of mimicking the damage done to pine trees by forest fires.

Prescribed burning, in addition to other measures that imitate the disturbances common in forests in the past, is a clear example of how high-growth forestry can be combined with active nature conservation measures to preserve biodiversity.

Clearcutting – for growth, long-term supply and profitability

As knowledge has increased and forest policies have evolved, forest management practices have changed. Today, conventional clearcutting (even-aged system) is the dominant method of forest management in Sweden – for good reason.

“Clearcutting ensures long-term profitability and a stable supply of timber, both now and for future generations. Selective harvesting can yield similar results, but is only suitable for a few percent of Swedish forest land,” says Lars Lundqvist, Associate Professor in Silviculture at the Swedish University of Agricultural Sciences (SLU).

An important reason for the success of conventional clearcutting is that the tree species in Sweden are adapted to the conditions this type of forestry creates.

“In the past, forests burned frequently, killing many trees and thus thinning forests, allowing a new generation of trees to grow. Our Swedish tree species are adapted to a cyclical process, so when we use clearcutting and subsequent regeneration, you could say that we are mimicking this process,” says Lars Lundqvist.

Conventional clearcutting is efficient, yielding high timber production and long-term profitability while securing a good timber supply in the short and long term. The challenge of this is that the method transforms the forest landscape and negatively impacts some species.

“While many species are adapted to major disturbances and cope well with regeneration harvesting, some are dependent on older, more unspoiled forests,” says Lars Lundqvist.

Nature conservation measures are taken in conjunction with regeneration harvesting to mitigate the impact on biodiversity.

"Harvested sites today look very different from those of 50 years ago. The clearcut areas are considerably smaller and forest owners retain buffer zones, conservation patches, deciduous trees and dead wood. Nature conservation is constantly evolving as new research is published," says Lars Lundqvist.

Long-term perspective needed

Methods such as selective harvesting, individual tree selection and shelter wood cutting are often highlighted as possible alternatives to clearcutting, but Lars Lundqvist emphasizes that important perspectives are often forgotten in this discussion.

"When discussing alternative approaches, we need to look at how they work on a larger scale and over time, but these aspects are often overlooked."

He gives individual tree selection as an example.

"In practice, this involves thinning in older forests. In the vast majority of forests, this eventually leads to sparse forests with low timber production that are susceptible to damage. Another example is shelter wood cutting. It only works in some instances, and when it does work, it leads to the same type of young forest that would have been created from clearcutting and regeneration. It's just a more complicated way of going about it. None of these methods are suitable for large areas," he explains.

Selective harvesting, a system in which a number of the largest trees in a forest are harvested at regular intervals, could potentially work under the right conditions. This can result in production comparable to that of conventional clearcutting, while having a lower impact on forest wildlife. But, there is one major limitation.

"The method only works for a few percent of Sweden's forest land. It requires an uneven-aged forest, meaning a forest containing trees of all sizes, from small seedlings to very large trees. Such forests are in short supply," says Lars Lundqvist.

Moreover, the method only works for spruce.

"Most Swedish tree species are adapted to regenerate on open land created after forest fires, for example. Only spruce can grow in a dense forest," explains Lars Lundqvist.

According to Lars Lundqvist, increasing the proportion of uneven-aged spruce forests to enable the use of this method in more areas is not an option.

"Converting 'normal forest' into an uneven-aged spruce forest takes about 100 to 150 years. Moreover, this would lead to substantial growth losses during this period."

> "The dominance of clear-cutting is due to the fact that it works on a large scale and in both the short and long term."

Selective harvesting also requires much the same retention as regeneration harvesting.

"But despite the ifs and buts, selective harvesting has a number of advantages. The problem is that it can be effectively used on only a very small area," says Lars Lundqvist.

Lessons from history

Lars Lundqvist believes that there is a lack of serious discussion about forestry practices, as those that take place tend to be founded on wishful thinking based on insufficient knowledge about how forests and forestry work.

"Over the centuries, forestry has tested a number of methods, so there are concrete examples of what works and what doesn't work," he says, mentioning, for example, the dimension felling method that was used on a large scale in Sweden in the 1800s.

At that time, only trees of a certain thickness that yielded a lot of sawn wood were felled. The idea was that the forest would regenerate itself, but it turned out that this was not the case.

"This resulted in extremely sparse forests that also had a lot of gaps and produced very little wood," says Lars Lundqvist. He continues:

"The dominance of clearcutting in today's forestry is due to the fact that we know that it works on a large scale and in both the short and long term."

Lars Lundqvist also points out that demand for wood will increase sharply once fossil materials are phased out.

"In this respect, the advantage of conventional clearcutting is that we know that it can provide a high supply of timber – for our grandchildren, our great-grandchildren and for future generations after that."

SCA's forest management

Similar to the vast majority of forest owners in Sweden, SCA has chosen to use mainly conventional clearcutting. The Company views selective harvesting and other methods as a good complement in some selected areas. The alternatives are mainly used in areas where there is a strong focus on promoting biodiversity, in areas where the Company wants to create particularly beautiful forests that are pleasant to visit and spend time in, and as a way of showing consideration for reindeer husbandry. SCA's regeneration sites are significantly smaller than they were in the past – on average under six hectares in size. SCA's ambition is for its forests to remain at least as rich in timber, biodiversity and nature experiences in the future as they are today.

Ecological values

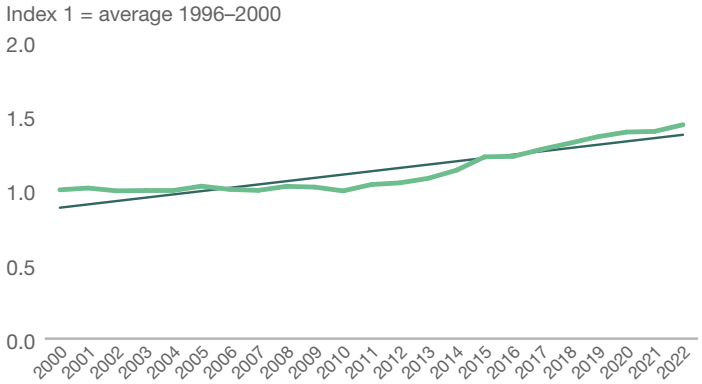
Positive trend for biodiversity on SCA land

Biodiversity plays an integral role in long-term sustainable forestry. SCA tracks the performance of five key indicators that constitute important habitats for many species and support a rich and varied forest landscape. The analysis shows that the values of the indicators have increased by about 25–90% since the late 1990s. This is a result of the transition toward more sustainable forest management practices.

Measuring and assessing the impact of various efforts to promote biodiversity is complex. In addition, most measures are long term, and it often takes a long time before any results are visible. As a way of analyzing the trend, SCA tracks five indicators that are considered relevant for biodiversity according to forestry research. The development has been positive and the values of the various indicators have increased by around 25–90% since the end of the 1990s.[1] The improvements are mainly due to SCA's voluntary set-asides, the fact that all measures are subject to good environmental consideration, and that the Company has developed its method of managing the forest.

Indicators for biodiversity – relative change

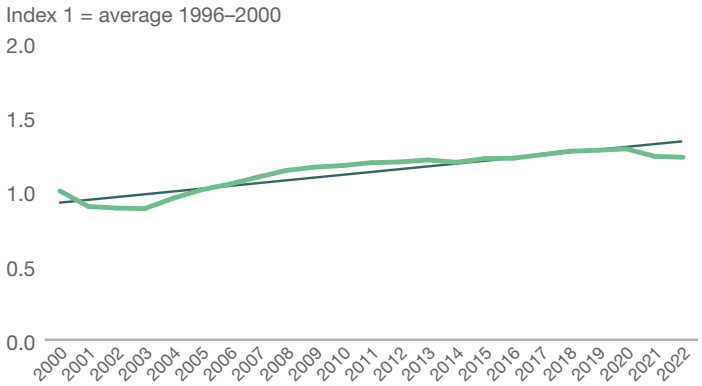
Dead wood



The volume of dead wood is one of the most important factors for biodiversity in the forest landscape. In Sweden, more than 5,000 species depend on dead wood at different stages of decomposition, including various ticks, beetles and birds. The volume of dead wood has increased by approximately 44%. The increase is mainly the result of the Company leaving dead trees and creating dead wood in conjunction with harvesting, as well as dead wood being left behind after storms (2011, 2013) and insect damage (2009–2016).

Relative change — Trend

Deciduous trees

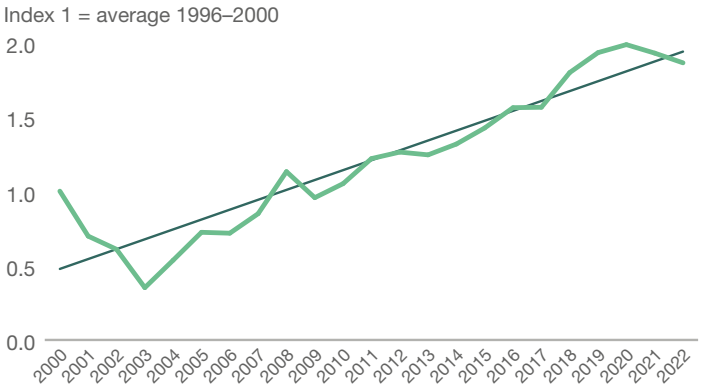


Deciduous trees play an important role for many species, including a large number of insects. Birds benefit as the insects provide a source of food and they nest in the deciduous trees. Many fungi and lichens also depend on deciduous trees. The volume of deciduous trees has increased by 23%. The increase is primarily because deciduous trees are left standing to a greater extent in conjunction with clearing and thinning. Deciduous trees are also left standing to a greater extent in connection with basic environmental consideration in harvesting.

Relative change — Trend

Source: Data for indicators is produced by the Swedish National Forest Inventory at the Swedish University of Agricultural Sciences (SLU).
Data is based on measurements of a large number of sample plots unknown to SCA. For more information, see page 145.
[1] As the basis for comparison, a mean value of the outcomes between 1996 and 2000 has been used.

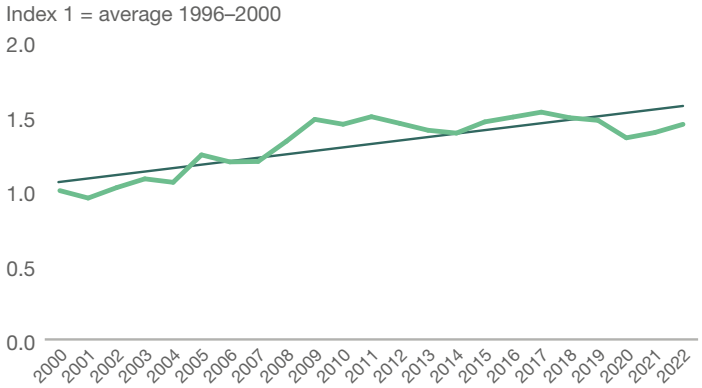
Old, thick deciduous trees



The supply of thick deciduous trees is important since it benefits many bird species, eventually producing habitats in the form of old, dead hardwood. Some mosses and lichens only live on older deciduous trees, such as willow, aspen or birch. The volume of thick deciduous trees in our forests has increased by 86%. The increase has mainly been due to a larger proportion of forests becoming older and thus more deciduous trees growing thicker.

Relative change — Trend

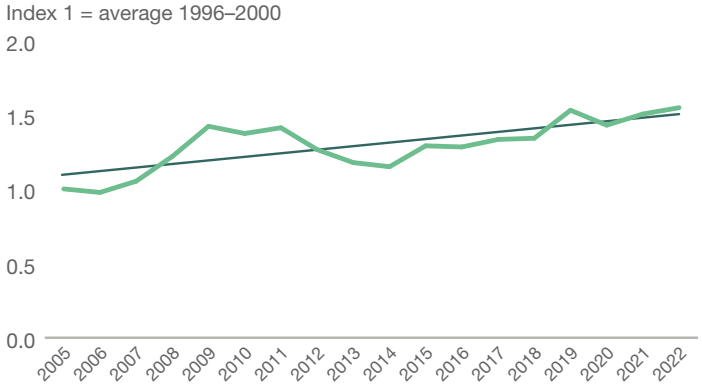
Old forest



Older forests are important for many species, particularly those that are not very competitive. The percentage of old forest (≥141 years) has increased by 45%. The increase is primarily due to the fact that voluntarily set-aside and older managed forests have grown older. The older managed forests are largely maintained with combined targets, for example using continuous-cover forestry methods.

Relative change — Trend

Old forest with specific indications of conservation value (SICV)



Older forests with specific indications of conservation values are forests that are both older and have a high frequency of important structures, including dead wood, trees of varying ages and very thick trees. The percentage of old forest with specific indications of conservation value has increased by 55%.

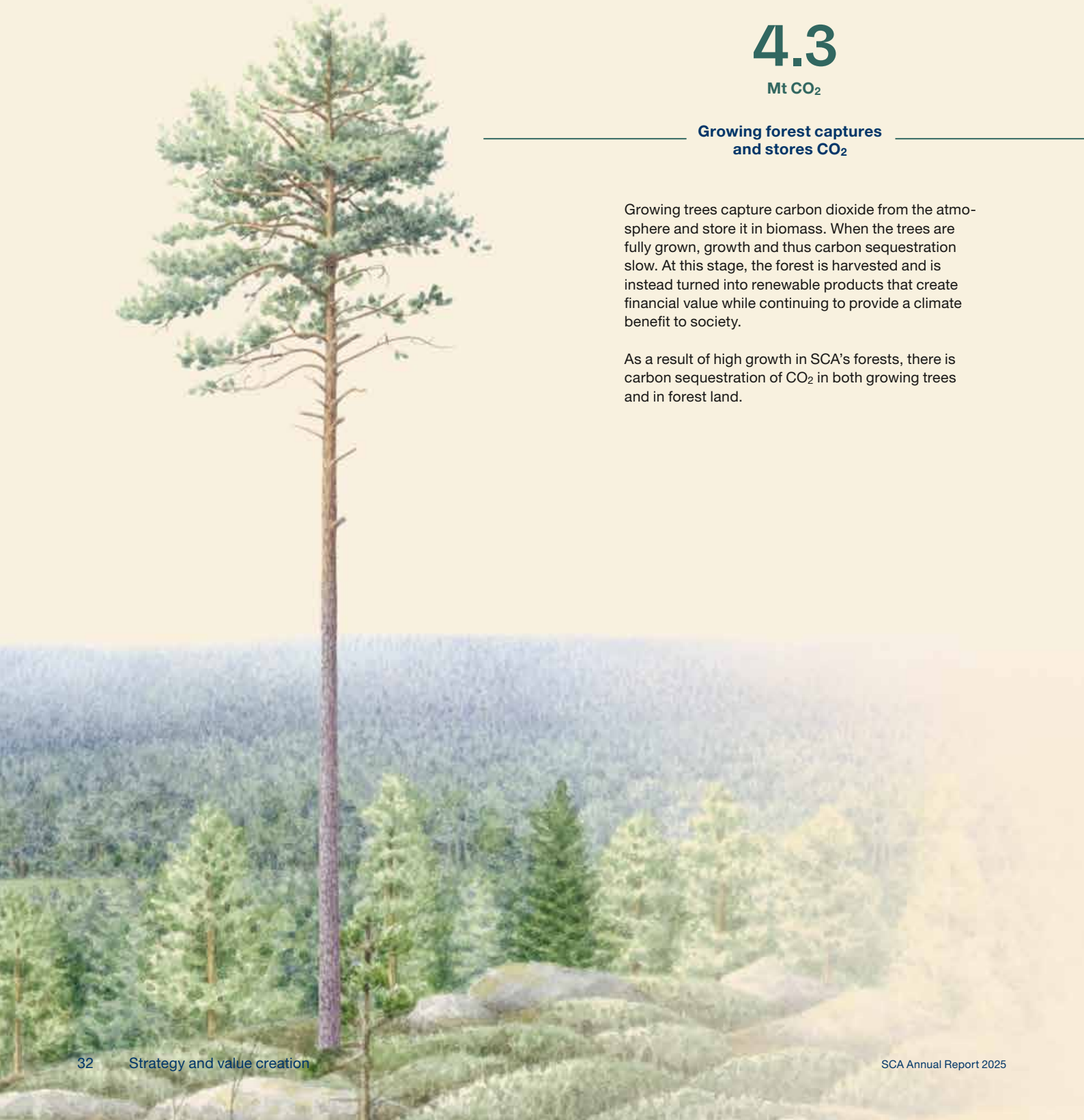
The increase is due partly to aging of voluntarily set-aside forests, and partly to an increase in the proportion of this type of forest in the forests SCA manages for timber production, or combined targets.

Relative change — Trend

Climate-related values

SCA contributes to climate benefit

SCA's well-managed forests capture and store CO_2 as they grow, and – given that growth exceeds timber extraction – CO_2 is stored net over time. SCA utilizes part of this growth as a renewable raw material to manufacture products that store carbon and enable the phase-out of fossil products or products with high fossil emissions.



4.3

Mt CO_2

Growing forest captures and stores CO_2

Growing trees capture carbon dioxide from the atmosphere and store it in biomass. When the trees are fully grown, growth and thus carbon sequestration slow. At this stage, the forest is harvested and is instead turned into renewable products that create financial value while continuing to provide a climate benefit to society.

As a result of high growth in SCA's forests, there is carbon sequestration of CO_2 in both growing trees and in forest land.

7.8
Mt CO_2

SCA's renewable products replace alternatives with a higher climate impact

Bioenergy

Solid wood products

Packaging paper

Pulp

SCA supplies renewable products with a low climate impact. They replace alternatives that would have resulted in higher greenhouse gas (GHG) emissions. In this manner, SCA supports the global transition to a fossil-free society.

0.8
Mt CO_2

Carbon is stored in renewable products during their lifetime

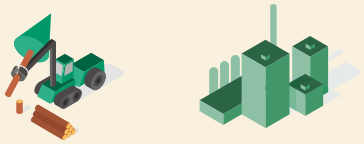
Solid wood products

Paper products

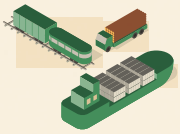
Wood-based products continue to store carbon over their lifetime, keeping CO_2 out of the atmosphere for longer or shorter periods.

–0.9
Mt CO_2

Fossil emissions in the value chain



Harvesting and industrial processes



Transportation and other purchases

For some time now, SCA has worked systematically to reduce fossil emissions across the value chain – from forest to customer. Actions include improving energy efficiency and optimizing transportation.

New global standard for climate calculations

Overall, SCA's operations have a significant positive climate effect every year.

The new ISO 13391 standard is used to calculate the climate effect of wood-based products. It enables SCA to use an established method to measure and describe the entire chain – from carbon sequestration in forests to the substitution effect among customers and consumers. The standard also includes emissions from the Company's own operations, including harvesting, transportation, other purchases and industrial processes, providing a true and fair picture of the Company's total climate impact.

Combined, the growth of the forest, carbon capture in products and substitution of fossil alternatives mean that the Company's contribution to the climate far exceeds the fossil emissions it generates in its own value chain.

SCA is strengthening its role as a key player in the transition to a fossil-free society by continuously increasing forest growth, streamlining operations, reducing fossil emissions and developing new bio-based industrial processes.

SCA helps to reduce society's dependence on fossil and resource-intensive materials by developing and offering products based on renewable forest raw materials. Our products replace alternatives with a higher carbon footprint and create long-term sustainable solutions for construction, packaging and everyday use.

Wood-based products for a sustainable future

Wood – A climate-smart material for building and construction

SCA's solid-wood decking is a renewable alternative to plastic-based decking products and paving slabs. With its low carbon footprint and natural ability to store CO_2 over a long period of time, SCA decking offers a sustainable solution that is also a pleasant and aesthetic building material for outdoor use.

The SCA Curtain Wall is another example of wood replacing traditional building materials. By incorporating renewable fiber in façade elements and panels, the use of fossil-based materials is reduced in the construction sector – one of the industries with the highest climate impact globally.

Recyclable packaging and material solutions

In the packaging area, SCA's pulp products can replace plastic-based alternatives. Innovative technology enables the production of molded fiber-based packaging with the equivalent functional properties of plastic. With each wood-based and renewable carbon atom in the packaging, the emission of nearly four fossil carbon atoms is avoided – and wood-based packaging is also recyclable.

Packaging based on SCA's containerboard can replace heavier and more fossil-intensive materials. Replacing glass bottles with bag-in-boxes avoids the emission of eight fossil carbon atoms for each bio-based carbon atom in the bag-in-box solution. Other corrugated packaging solutions, which include containerboard from SCA, also offer climate-smart alternatives to plastic-based recycling systems that require extensive transportation and cleaning processes. Lightweight, recyclable corrugated board enables efficient flows with a lower carbon footprint across the value chain.

Domestic energy from renewable side streams

SCA's operations are an integral part of the bioeconomy, where all parts of the harvested tree are utilized. Harvesting residues from forestry and side streams from sawmills and pulp production are used as renewable energy sources in the form of solid biofuels, district heating and combined heat and power (CHP).

Corrugated board has a lower carbon footprint than other alternatives and the fiber can be recycled multiple times.

By-products such as bark, sawdust, woodchips and black liquor are converted into energy that powers SCA's facilities or is delivered as district heating and electricity.

Some of the side streams are further refined into solid biofuel in the form of pellets, which are used by private households, district heating plants and industries as a climate-friendly alternative to oil and coal. Other side streams are converted into sustainable aviation fuel and biodiesel, HVO 100.

Through these and other product innovations, SCA is continuing to support a bioeconomic transition in which forest products replace fossil alternatives – and where renewable materials form the basis for a more sustainable society.

SCA's forest lands are accessible to the public and support the social and cultural values of the forest. The Company promotes outdoor recreation and a vibrant countryside through its conservation parks, hunting and fishing opportunities, and support for local communities.

A living forest for a vigorous society

A forest for all
About 70% of Sweden is covered by forests, so it is not surprising that forests are important to the country in many ways. Aside from playing a crucial role in the economy, employment and well-being, it is also a place enjoyed by many – year-round.

Everyone has the right to visit SCA's forests, both those in Sweden and in the Baltic region. The forests provide opportunities for unmatched nature experiences, such as hiking, berry and mushroom picking or canoeing on lakes and rivers. For many, the forest is a place of tranquility and activity.

Preserving diversity and the legacy of the forest
SCA has five conservation parks, which are particularly well organized for visitors through the provision of information boards, signposted trails and designated barbecue areas. The parks are areas characterized by greater diversity than the forest landscape in general. Many different measures are taken in the parks to enhance existing conservation values and to create new ones. An important part of the development of the conservation parks is the regular dialogue with various stakeholders involved in the parks, including authorities, local heritage associations, ornithological associations and local nature conservation associations.

SCA also works to nurture cultural and historical values by protecting the legacy of previous generations that can be found in our forests. This includes trapping pits, charcoal kilns, tar pits, trails and house foundations. The remains are categorized into ancient remains and other cultural-historical remains and they are protected by law. SCA's forestry machines are equipped with warning systems to minimize damage to remains in conjunction with forestry operations.

Hunting and fishing on SCA land
Moose hunting and small-game hunting for hare, grouse and wood grouse are popular pastimes for many people. At the same time, hunting of moose and other cloven-hoofed game is necessary to avoid excessive animal populations that can cause serious grazing damage to young pine forests. Every year, the Company permits thousands of hunters to hunt on its land.

There are also plenty of fishing grounds on SCA land, most of which are co-owned and often divided into fishing zones. Members of the public can purchase fishing licenses, which is easily done on the Company's webshop.

A vibrant countryside
SCA's operations create conditions that allow people to live and work in northern Sweden, especially in rural areas. Almost all of our employees live and work in northern Sweden, generating considerable tax revenue for the municipalities. SCA also purchases substantial amounts of services from local contractors and large volumes of timber from private forest owners in northern Sweden. Our activities help to ensure that there is a viable basis for trade and public services to continue in smaller rural communities.

SCA also sponsors around 200 associations in the operational area. By partnering with different associations, the Company can help provide meaningful leisure time for children and young people and promote vibrant communities where people can thrive. SCA supports associations in the areas of sports, outdoor activities and culture.

Economic values

The forest industry – an engine for jobs and prosperity in northern Sweden

The forest industry plays a crucial role in the economy and social development in northern Sweden by creating jobs, enabling people to live in rural areas and contributing billions to the regional economy. It is a driving force of prosperity and fosters vibrant communities.

In northern Sweden, forests serve as a fundamental resource for local communities. The forest industry is an economic driver that is key for creating jobs, maintaining vibrant communities and enabling long-term regional development.

The report “Skogsnäringens betydelse för Norra Sverige” (The significance of forestry in northern Sweden), authored by Nima Sanandaji on behalf of SCA, shows that the forest industry in Norrbotten, Västerbotten, Jämtland and Västernorrland counties contributes more than SEK 50bn each year to the regional economy.

The forest industry creates jobs and finances welfare in northern Sweden

In the four northernmost counties, about 20,000 jobs can be attributed to the forest industry. These include forest machine operators, engineers, process engineers, ecologists, administrators, researchers and many more. More than half are directly employed in the forest industry, while the remainder work in other sectors that are positively impacted by the forest value chain. Together, they contribute SEK 4.4bn in payroll taxes and social security contributions – money that goes to healthcare, education and social care, for example.

Exports create prosperity

Forest industry exports play a key role in the prosperity of northern Sweden and the country as a whole. In the four northernmost counties, the industry contributes more than SEK 27bn in net exports annually, and at the national level the corresponding figure is SEK 130bn. The forest industry is therefore a major driving force behind Sweden’s total exports. Unlike many other industries, the forest industry requires only a limited amount of imported input goods.

Much of the value created thus remains in Sweden and in our local communities. This makes the forest-industry an important economic driver.

Aside from its contribution to local and regional economic development, forest industry exports also bolster Sweden’s position as a leading exporter of bio-based and eco-friendly products. This is important for achieving the UN Sustainable Development Goals (SDGs), in particular the goals of sustainable cities and communities, and decent work and economic growth.

Forests provide value in other sectors

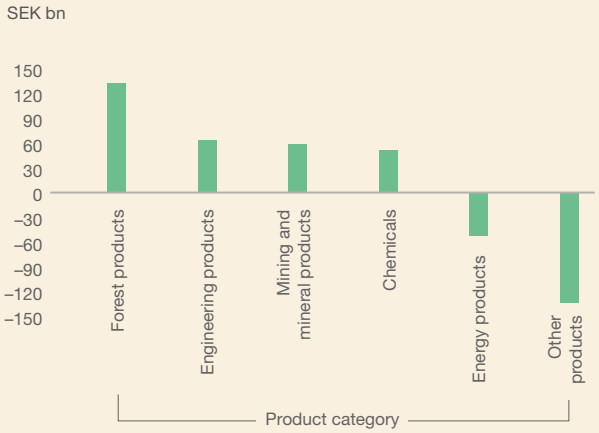
The forest industry in northern Sweden creates almost as much value for other industries as it does for itself. This is because other parts of the business community become involved when forest products are processed in value chains. When these effects are included, the total annual value creation in the regional economy is just over SEK 50bn.

Rural jobs

The forest industry contributes to jobs and vibrant local communities across much of Sweden, not least in rural areas. It is also highly significant for private forest owners in northern Sweden, as competitive sawmills and industries create demand for wood raw material, thus making the forest valuable. Conversely, private forest owners are crucial for the forest industry, as they supply the wood needed for production in sawmills and industries. Together, the forest industry and private forest owners create an interdependence, strengthening both the local economy and the development of society at large.

The forest industry is important for Sweden

Net exports of goods in Swedish industrial sectors



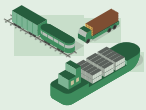
Source: Memorandum ”Skogsindustrin och utrikeshandeln samt nettoexporten” (The forest industry, foreign trade and net exports), Fredrik Bergström, PhD.

~130 SEK bn in net exports

The forest industry is an important economic driver that plays a crucial role in Sweden’s prosperity and economic stability. It accounts for substantial exports, but what distinguishes the forestry industry is its low dependence on imports, since the main value is created from forest raw materials that are largely grown and processed domestically. This means that the industry has a high net export level compared to other industries, contributing significantly to the Swedish economy. In this way, the forest industry plays a crucial role in strengthening the country’s growth.

SCA's operations

SCA's integrated value chain includes five business areas and a support unit that combine to create the highest possible value in and from the forest.

Line of business		Share of Group[1] EBITDA	Capital employed	Employees
Forest 	The forest is at the core of SCA's operations and is managed responsibly and with a long-term approach. SCA strives to grow its forest assets through effective management and acquisitions. The forest offers long-term and stable value growth while providing a secure supply of raw material to SCA's integrated and well-developed value chain. Forest land also provides value in the form of biodiversity and recreation.	58% SEK 3,788m	76% SEK 85,144m	21% 741 employees
Wood 	SCA operates a competitive sawmill industry, producing high-quality solid-wood products from the most valuable part of the tree. The sawmills sets the value of the timber and thus also the forest, and supply raw material to the fiber industry and energy sector. Following the investments made, the sawmills deliver world-class production, thereby strengthening SCA's competitiveness and long-term market position.	13% SEK 856m	3% SEK 3,468m	26% 912 employees
Pulp 	SCA's two well-invested pulp mills, producing kraft pulp and chemi-thermomechanical pulp (CTMP), are leaders in terms of cost efficiency and competitiveness. As an independent pulp supplier, SCA has a strong position in the European market. Production takes place in modern, energy-efficient facilities that also produce green electricity, heat, liquid biofuel feedstock and green chemicals.	11% SEK 752m	8% SEK 8,953m	14% 493 employees
Container-board 	SCA produces kraftliner of different grades and characteristics. In Obbola, the world's largest kraftliner machine will be ramped up to full capacity. In parallel, the Munksund paper mill has good production of high-quality and competitive specialty products. The integrated paper mills also enable the production of green electricity, heat, liquid biofuel feedstock and green chemicals.	17% SEK 1,111m	9% SEK 10,514m	19% 675 employees
Renewable Energy 	SCA produces renewable energy in the form of liquid biofuels, solid biofuels and green chemicals from the raw materials that are not used in its industries. SCA has a jointly owned biorefinery with St1, where tall oil from the Company's industries forms part of the raw material. SCA's forests also offer favorable conditions for wind power production. The Company's strong position and assets in solid biofuels, liquid biofuels and wind provide favorable conditions for continued profitability growth.	7% SEK 442m	3% SEK 3,461m	2% 72 employees
Logistics (support unit) 	SCA operates a streamlined logistics organization that ensures cost-efficient transportation of raw materials to its industries, and that finished renewable products reach customers across the globe. The high degree of logistical self-sufficiency ensures stability, control and long-term competitiveness across the value chain.			

[1] EBITDA: SEK –385m is recognized in Other, Capital employed: SEK 920m is recognized in Other, Number of employees: Central and support units account for 615 employees.

Forest

Growing forests ensure secure supply

The forest is at the core of SCA's operations. With 2.7 million hectares of land, SCA is Europe's largest private forest owner. SCA works to promote growth in the volume and value of this forest resource through long-term, responsible and active forest management, as well as acquisitions. The forest provides a sustainable, secure supply of renewable raw material and long-term stable and increasing value.

In global terms, forests are a scarce resource. The supply of wood raw material is shrinking in many parts of the world. Forestry is being outcompeted by other land uses or is being restricted by complex regulations governing its ownership, management and use. In many locations, there is a lack of infrastructure for transporting forest raw materials where they are needed. Meanwhile, demand for wood products, packaging paper and solid biofuels is growing.

Central Europe, has seen a decrease in harvesting compared to a few years ago due to drought and insect damage. Russia's war of aggression against Ukraine has halted exports of timber and forest products from Russia and Belarus. This is reflected, for example, in high timber prices in Europe, particularly for sawlogs, but also for pulpwood.

In North America, fires and insect damage as well as restrictions imposed on forestry have constricted the supply of forest raw material.

The well-managed and growing forests of the Nordic region represent an important asset for Europe.

High degree of self-sufficiency

SCA owns 2.7 million hectares of forest in northern Sweden and the Baltic region, of which 2.1 million hectares are productive forest land. At year-end, SCA's standing volume amounted to 277 million forest cubic meters (m^3fo), 8 of which are in the Baltic region.

Approximately half of SCA's raw material needs are provided by wood from the Group's own forests and woodchips from its own sawmills. The high degree of self-sufficiency means that SCA is less exposed to price increases on wood raw materials than many other comparable forest products companies with significantly lower self-sufficiency. The need for raw materials has increased due to SCA's investments in solid-wood products, pulp and containerboard. However, because harvesting has also increased, SCA retains its unique high level of self-sufficiency. The large forest holding provides a reliable supply of raw material, facilitates investments and allows for greater flexibility.

SCA wants to increase its forest holding and is acquiring forest where it can help to supply the Company's value chain. SCA has acquired approximately 80,000 hectares of forest in the Baltic region in recent years.

SCA's forests are managed sustainably to ensure that they remain at least as rich in wood, conservation values and nature experiences in the future as they are today. Forest management is based on profound knowledge of the forest gained from inventories and remote sensing. Harvested forest is replaced with new, high-quality vigorous forest. At least two new trees replace every harvested tree. In 2025, SCA's tree nursery produced 119 million seedlings.

Efficient harvesting organization

SCA has a well-developed organization for harvesting and silviculture in northern Sweden. Approximately 200 harvesting teams work for SCA. A small share of these are teams in which SCA-employed operators use machines owned by SCA, while the majority comprise contractors working on long-term assignments from SCA. SCA conducts its own training program for forest machine operators. The program is designed to provide its harvesting teams and contractors with necessary skills and knowledge. This program is now in its second year and the third set of machine operators. It is crucial to ensure access to skilled labor.

Silviculture work is also largely carried out by contractors with intra-EU and non-EU labor. Together with the Swedish Union of Forestry, Wood and Graphical Workers, the Company carefully

Strategy

- Always supply SCA's growing industries with raw materials.
- Increase growth and harvesting.
- Strengthen competitiveness through increased productivity and efficiency.
- Acquire forest in the Baltic and Nordic regions.
- Increase the precision and quality of biodiversity conservation measures.

Financial key figures

SEKm	2025	2024
Net sales	9,962	8,830
EBITDA	3,788	3,531
EBITDA margin, %	38.0	40.0
Operating cash flow	1,578	968
Strategic capital expenditures	34	215
Capital employed	85,144	88,126
Return on capital employed, %	4.0	3.7
Harvesting of own forest in Sweden, thousand m^3sub	5,396	5,221
Average number of employees	741	695

Older forests and the volume of dead wood are increasing in SCA's forests.

monitors that contractor employees have good working conditions and a good work environment.

Resource for private forest owners
SCA's well-invested industries also enable competitive payment rates for wood from private forest owners. Most of the timber that does not originate from SCA's own forests is purchased from private forest owners in northern Sweden. As a result of the resources and expertise SCA has built up in the management of its forests, the Company can also offer private forest owners high-quality planning, harvesting and silviculture services.

SCA's well-invested industries not only add value to the Company's own forest, but also to the assets of other forest owners in northern Sweden, Finland and the Baltic region.

Timber sourced from private forest owners is supplemented by purchases from other forest companies in northern and central Sweden. Imports remained modest in 2025.

Preserving biodiversity
The most important environmental objective of SCA's forestry management is preserving biodiversity in the forest. A long-term approach to nature conservation is taken as part of ecological landscape plans. Important habitats for sensitive flora and fauna are preserved or created. Independent measurements indicate, for example, that the area covered by older forests and the volume of dead wood are increasing in SCA's forests. These are key habitats and substrates for sensitive species.

SCA's forest management has been certified in accordance with the Forest Stewardship Council™ (FSC™) (FSC™ C004466) since 1999, and since 2011 also in accordance with the Programme for the Endorsement of Forest Certification (PEFC) (PEFC/05-23-131). Independent auditors verify that SCA's forest operations meet the certification requirements. In turn, products based on timber from certified forestry can be certified and offered to customers with high sustainability requirements.

Market

Forest covers almost 70% of Sweden, corresponding to 28 million hectares. SCA is Sweden's largest private forest owner. The remainder is owned by individual forest owners, other forest products companies, the state and the church.

In addition to its holdings in Sweden, SCA has forest holdings in the Baltic region. Forests in the Baltic region have excellent production capacity, but are only utilized to a limited extent for historical reasons.

The timber market is largely national, and often almost regional for logistical reasons. However, there are significant exports and imports of wood between countries, primarily pulpwood but also sawlogs to some extent.

Laws that govern forest operations and forest management in Sweden

The Forestry Act has existed in different versions since 1905 and includes mandatory rules for forestry operations in Sweden. It states, for example, that reforestation must take place after final harvest; it stipulates limits for the youngest age at which forest can be felled; and it includes an obligation to consider environmental values.

The Swedish Environmental Code includes rules that impact forestry, such as rules for the protection and preservation of flora and fauna.

The Land Acquisition Act regulates the acquisition of forest land. The law states that a legal entity may not net acquire forest land from private individuals, but only from other legal entities. The background to the law is that the Swedish legislator wants a certain percentage of the forest to be held by private individuals.

FSC certification implies that a range of interests, such as conservation organizations, Sami people and buyers of forest products, agree on what constitutes responsible forest management and how this should be monitored. Intense discussions were conducted in 2025 concerning the interpretation and application of the FSC standard in Sweden.

Well-managed forests bind more carbon

Growing trees capture and store CO_2. The more they grow, the more carbon they bind. SCA's forests have an annual net growth of nearly 2.5 million m³fo of timber, meaning that the forests bind a net total of just over 4 million tonnes of CO_2. Growth on low-productive forest land and the net increase in soil carbon contribute a further one million tonnes of CO_2 per year. In total, this is nearly five times the total CO_2 emissions from fossil-based sources in all of SCA's value chain, including forest operations, industrial production and transportation of raw materials and finished products, as well as manufacturing and transport of input goods.

Living, growing trees capture and store CO_2. Once they die, they decompose and the CO_2 returns to the atmosphere. As forests age, they become less effective at binding CO_2, while the amount of CO_2 emitted from the forest increases.

When well-managed forests are harvested, they are replaced by forests that grow just as well or better. The harvested wood is used for products that can continue to store CO_2 for a long time, such as timber houses, or can replace products that have a larger carbon footprint. Forests will continue to bind CO_2 as long as they are well managed and vital.

Growth in well-managed forests binds CO_2 from the atmosphere.

Growth in SCA's forest in 2025

SEKm	Million m³fo	%
Opening volume	**274**	
Gross forest growth	10.9	4
Natural losses, clearing and other	–1.6	–1
Available growth	**9.3**	**3**
Harvesting	–6.8	–2
Net forest growth	**2.5**	**1**
Closing volume	**277**	
of which Sweden	268	
of which Baltic region	8	

Forest holding (volume)

Source: SCA's most recent forest inventory (2019).

SCA sets aside important habitats for sensitive flora and fauna from forest operations and manages the forests to improve conditions for species requiring special consideration. At the same time, the Company strives to make these set-asides as effective as possible. Growth, meaning binding of CO_2, and renewable raw materials are also important environmental values and SCA attempts to achieve the best balance possible between biodiversity, climate benefit and access to raw materials.

Increasing standing volume and harvesting

SCA endeavors to manage its forests in an active and long-term manner to increase growth and improve harvesting potential. The latest inventory and harvesting calculation indicates that the long-term sustainable harvesting level is over 5 million solid cubic meters under bark (m^3sub). In the longer term, the harvesting level is expected to be able to increase even more.

Contorta pine, which has a much higher growth rate than Swedish pine, has made a significant contribution to this growth increase and the net sequestration of CO_2. SCA began planting contorta pine on its land in the early 1970s and deliveries of contorta pine sawlogs to the Gällö sawmill are now significant and growing. SCA also sources contorta wood from other forest owners and sells contorta wood to other companies.

Since the first inventory of the forest holding in the late 1940s, SCA's standing volume has doubled, while the sustainable harvesting level has more than doubled over the same period of time. Over these 80 years, the Company has harvested more than the entire timber volume currently growing in SCA's forests.

Using the harvesting plan that SCA has adopted, standing volume will continue to increase, albeit at a slightly slower pace than in the past. SCA manages its forests to ensure the highest possible level of sawlog production, which is the most valuable timber product.

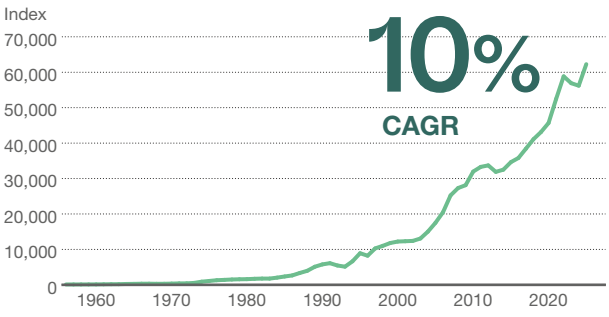
Market valuation of the forest

SCA bases the valuation of the Company's forest assets on transactions in areas where the Company owns forest. The average market price over the past three years is used in the valuation of SCA's forest assets. As per December 31, 2025, this amounted to SEK 372/m^3fo for the Swedish holding and to EUR 44/m^3fo for the Baltic holding. At the end of 2025, SCA's standing timber volume amounted to 277 million m^3fo and the carrying amount of SCA's forest assets was SEK 104bn.

Ludvig & Co and Svefa are two of the main providers of market statistics, and SCA obtains statistics from them to value the Company's forest assets. Most of the transactions included in the supporting data are acquisitions conducted by private individuals. However, the relatively few transactions between legal entities indicates that forest owned by legal entities has an added value compared with forest owned by private individuals.

"Since the first inventory of the forest holding, SCA's standing volume has doubled."

Total return, forest in Sweden (index 1956–2024)



Source: The Swedish National Forest Inventory, the Swedish Forest Agency, Ludvig & Co, the National Land Survey, Svefa, FutureVistas.
Note: Cash flow is reinvested in forest.
CAGR: Compound Annual Growth Rate.

Total return of 10% per year

The forest creates value in three ways: cash flow from harvesting, biological growth, and value growth of forest land.

Harvesting. Harvesting provides raw materials to industries and generates cash flow. Good forest management has helped to more than double the sustainable harvesting level since 1956.

Net growth. Over the past 70 years, the standing volume has increased considerably, and growth far exceeds harvesting. This will enable a higher level of harvesting and an increase in cash flow going forward.

Land value. The value of forest land in Sweden has risen by about 6% per year since 1956.

Together, these three value streams have generated a total return from SCA's forest assets of approximately 10% per year since 1956.

Managing forests responsibly protects the multifaceted values of forests – today and in the future.

Wood

High production in well-invested sawmills

The sawmills are at the heart of SCA's value chain. They set the value of the timber and thus also the forest, and they supply raw material to the fiber industry and energy sector. SCA's sawmills are among the most modern in Europe. Following the investments made, they now deliver world-class production and productivity.

Sawlogs are the most valuable part of the tree and account for the majority of the forest owner's income. Meanwhile, sawmill woodchips are an important raw material for the pulp and paper industry, while bark, sawdust and other by-products are an important raw material for energy generation and solid biofuels.

A modern sawmill today is an advanced processing industry. Each log is analyzed and processed to extract its full value using x-ray technology, advanced image processing and powerful analytical tools. SCA's five sawmills are well invested and among the most competitive and productive in Europe. Combined with its high-quality raw material, SCA is a sought-after supplier among the most demanding customers in the wood sector.

Strong position in selected markets

The timber market is large and fragmented. A significant number of operators can be found among sellers, processors and end-users. While wood products are mainly used in construction, there are also a large number of niches and product areas. The construction of new buildings is a major market for wood products, but renovations, conversions and extensions, kitchen interiors and furniture are other important wood markets that are often less cyclical than new construction.

Even the largest companies in the wood sector have a modest market share and the majority of producers are small companies serving a local market. It is thus possible and important for operators such as SCA to choose their product strategy and market based on their strengths.

SCA focuses on two segments. The first is the wood processing industry, with products such as windows, wooden floors and furniture. For this sector, it is crucial to offer efficient deliveries of products that are well adapted to further processing, with high quality and optimized use of the raw material.

The second segment is the building materials trade, comprising the sub-segments of professional buyers and DIY customers. Distribution know-how is key for this segment. The products must be ready for sale and delivered to a large number of outlets according to the agreed plan.

SCA is a major supplier of solid-wood products to the Scandinavian building materials trade, but has also supplied wood products to Home Depot in the US for over a quarter of a century. Focusing production in a sawmill on prioritized products for key accounts has implications for the rest of production. The goal is to maximize the amount of sawn timber from the log and it is important to find the best possible market for the resulting products.

SCA strives to continuously increase the value of all products. One example is medium-quality sideboards that become the raw material in the highly automated production of shelving for IKEA, packed in flat packs with screws and instructions included and ready for delivery to department stores across multiple countries.

Although Europe is the core market, effective logistics solutions also make SCA a competitive supplier of solid-wood products to North America, Asia and North Africa.

Strategy

- Continued profitable growth kept in balance with supply of raw materials.
- Well-invested plants with world-class efficiency and competitiveness.
- Maximize the value of SCA's high-quality sawlogs through high raw material yield and customized products.

Financial key figures

SEKm	2025	2024
Net sales	6,125	5,539
EBITDA	856	927
EBITDA margin, %	14.0	16.7
Operating cash flow	657	479
Strategic capital expenditures	0	0
Capital employed	3,468	3,651
Return on capital employed, %	15.5	17.5
Deliveries, wood products, thousand m^3	2,122	1,956
Average number of employees	912	893

Efficient sawmills make full use of raw material
Access to raw material poses a challenge for the entire wood sector. The war in Ukraine means that forest raw material in Russia and Belarus may not be supplied to Western markets. Harvesting is on the decline in Central Europe, mainly due to climate change and insect damage. In North America, too, harvesting is being impeded by environmental restrictions and the effects of a changing climate.

Accordingly, SCA's sawmills strive to optimize the supply of raw material. Several sawmills alternate between different tree species to capitalize on locally available raw materials. Gällö sawmill is increasing the proportion of solid-wood products it produces from contorta pine, a Canadian tree species introduced by SCA for its vigorous growth and resistance to pests. These products have proved popular in the market for applications such as paneling and joinery timber. Volumes of contorta pine sawlogs will continue to grow.

SCA's sawmills also use state-of-the-art-technology to reduce the minimum diameter of sawlogs, meaning that a larger proportion of the tree can become solid-wood products. By using thinner saw blades, the proportion of the tree that becomes valuable solid-wood products instead of sawdust is increased.

The investments made in new technology at SCA's sawmills, such as in a CT scanner and a new dry sorting line at the Bollsta sawmill, have paid off well. Production has exceeded the design capacity and the impact on quality and productivity is beyond expectations.

Production at SCA's sawmills was generally high during the year.

Choose wood for the climate
Wood products have a positive impact on the climate. Growing trees capture and store CO_2. The tree then becomes solid-wood products that will continue to bind this CO_2 for a long time. A timber house can be used for a hundred years or more. Wood is also a light material. It can be used, for example, to add a floor to an existing apartment building, thereby densifying urban areas without the need for new land. Timber houses are also perceived as providing a better living environment than houses made of other materials, as confirmed in multiple studies.

"Production has exceeded the design capacity and the impact on quality and productivity is beyond expectations."

Market

The global market for softwood solid-wood products is about 350 million m³ annually, the majority of which is used in traditional construction and renovation. Long-term demand is expected to grow by approximately 2% per year.

The European market for softwood solid-wood products amounts to about 100 million m³ annually. SCA's share of this is approximately 2%. The market is characterized by a large number of mid-sized and small suppliers that target different products and geographic markets.

The tree becomes solid-wood products that continue to bind CO_2 for a long time – a timber house can be used for a hundred years or even longer.

Sawmills

MUNKSUND, PITEÅ
Capacity: 350,000 m³/year

RUNDVIK, NORDMALING
Capacity: 300,000 m³/year

BOLLSTA, KRAMFORS
Capacity: 600,000 m³/year

TUNADAL, SUNDSVALL
Capacity: 600,000 m³/year

GÄLLÖ, BRÄCKE
Capacity: 350,000 m³/year

Wood processing and distribution

Planed products capacity: 600,000 m³/year
Impregnated products capacity: 80,000 m³/year
Painting products capacity: 2 million m²/year

Pulp

Growing production in cost-efficient mills

SCA's two pulp mills – Östrand kraft pulp mill and Ortviken CTMP mill – are well-invested and leaders in terms of cost efficiency and competitiveness. As an independent pulp supplier, SCA has a strong position in the European market.

SCA manufactures bleached softwood kraft pulp at the Östrand pulp mill and chemi-thermomechanical pulp (CTMP) at the Ortviken pulp mill. The mills also produce green electricity, tall oil, turpentine and district heating for the Sundsvall and Timrå district heating grids.

Pulp that meets high customer requirements

The Östrand pulp mill is world leading in terms of quality, cost efficiency and environmental performance. The mill produces pulp for tissue, board, publication paper and specialty papers.

Wood fiber from northern pine and spruce is a top-quality raw material for the production of bleached kraft pulp. The production of kraft pulp involves cooking the wood fiber with chemicals to produce a pulp consisting of cellulose fiber. During the process, other wood substances, such as lignin, tall oil and turpentine, are separated and processed into liquid biofuels, among other products. The result is a pulp product that is in demand for its strength and quality, not least to be highly suitable for further processing by customers.

In tissue paper production, the bleached kraft pulp adds strength. It is subsequently often combined with pulp based on deciduous trees, such as birch or eucalyptus, or a pulp based on recovered paper. Different types of pulp contribute to different properties in the final paper. Since softwood kraft pulp contributes strength, it cannot easily be replaced by pulp produced from other wood sources and with other pulp characteristics.

About half of the fresh fiber is cellulose and hemicellulose, and becomes bleached kraft pulp. The remainder of the wood substance is used in a range of processes that generate products such as electricity, district heating, tall oil, turpentine, lignin, bark and ash – all products with value if used for the right application.

A modern kraft pulp mill is a biorefinery with a wide range of products. Not least, a kraft pulp mill is a significant net producer of energy, green electricity and heat.

"Wood fiber from northern pine and spruce is a top-quality raw material for the production of bleached kraft pulp."

Strategy

- Continue to strengthen competitiveness through increased productivity.
- Increase market share in priority markets.
- Maximize the value of by-products such as green electricity, crude tall oil and district heating.

Financial key figures

SEKm	2025	2024
Net sales	7,143	8,058
EBITDA	752	1,680
EBITDA margin, %	10.5	20.8
Operating cash flow	598	1,385
Strategic capital expenditures	165	28
Capital employed	8,953	9,270
Return on capital employed, %	0.9	10.3
Deliveries, pulp, thousand tonnes	987	988
Average number of employees	493	515

Strong in the European market
The production of kraft pulp was stable throughout the year. Minor add-on investments have ensured consistent production and good product quality.

Prices rose at the beginning of the year, but the trend reversed in the second quarter and prices have since fallen back. Demand was weak in Europe during the year, while it recovered in Asia as prices declined. The market uncertainty was fueled by increased trade barriers.

Despite a weak European market, as an unintegrated kraft pulp supplier, SCA holds a strong position in selected product segments.

Ortviken reaches design capacity
Chemi-thermomechanical pulp (CTMP) is mainly used to manufacture tissue and board. CTMP is produced by grinding chemically pre-treated wood fiber into pulp. In addition to cellulose, CTMP pulp also contains a significant proportion of other wood substances, such as hemicellulose and lignin. CTMP therefore has different properties than kraft pulp. It lacks the same strength, but instead has higher bulk, meaning fiber volume per unit of weight.

For example, CTMP is used in the middle ply in liquid packaging board to provide bulk to the packaging. Softwood pulpwood and hardwood pulpwood are used as raw materials to manufacture products with different properties.

The production of CTMP pulp in Ortviken began in 2022 and has been ramped up since then to full capacity. The mill is now endeavoring to strike a balance between sustained production growth and the evolving state of the market.

Ortviken has successfully focused on product development and on producing pulp of varying grades, such as high-bulk pulp for liquid packaging board and pulp that is particularly suitable for hygiene products. In this way, Ortviken has been able to increase production by conducting profitable business with mainly European customers.

"Through product development, sales to priority markets have increased."

Market

The global bleached softwood kraft (BSK) market is roughly 25 million tonnes, of which approximately 14 million tonnes consist of Nordic bleached softwood kraft (NBSK). SCA's share of the global NBSK market for market pulp amounted to 6%.

The global market for chemi-thermomechanical pulp (CTMP) is roughly 4 million tonnes. SCA's share of the global CTMP market for market pulp amounted to approximately 7%.

Production plants

ÖSTRAND PULP MILL, CAPACITY

Bleached softwood kraft pulp (NBSK): 900,000 tonnes/year. The pulp is used in items such as tissue, packaging, publication paper and specialty paper.

Green electricity: 1.2 TWh/year at full pulp production capacity.

Complementary products: Tall oil, turpentine, district heating, sodium bisulfite.

ORTVIKEN PULP MILL, CAPACITY

Chemi-thermomechanical pulp (CTMP): 300,000 tonnes/year. The pulp is used, for example, in packaging and hygiene products.

Complementary products: District heating.

SCA Ortviken supplies customized CTMP products to a range of segments.

Containerboard

Strong production and specialty products offset weak market

SCA is continuing to ramp up the new paper machine in Obbola to full capacity. In parallel, healthy production and a range of value-added packaging papers at Munksund paper mill supported increased earnings in a soft market.

SCA manufactures containerboard at the Obbola and Munksund paper mills. In Munksund, the Company produces a variety of specialty products. These include white-top kraftliner, which offers good printing properties and is particularly suitable for packaging that will be visible for consumers. In addition, the mill produces wet-strength kraftliner, a packaging material that combines high strength, long-lasting durability and maximum protection. These properties make the product ideal for transportation and storage of goods in demanding environments, for example, with exposure to humidity and temperature variations.

In Obbola, SCA produces kraftliner for a wide range of applications. Containerboard is widely used for transport packaging, both for packaging used in the transport of goods from the manufacturer to retailers and in packaging for products to be delivered to consumers, including the growing e-commerce sector.

Ramping up to full production

SCA commissioned a new paper machine at Obbola paper mill at the end of 2022. It is the largest machine in the world for kraftliner production and marks a leap forward in technology in terms of process and production control.

In conjunction with the investment in the new machine, new facilities were also constructed for pulp production, recovered paper processing, chemical recycling and biological wastewater treatment. The new facility is now being ramped up to full production.

"New technologies drive efficiency and enhance production control."

Strategy

- Realize the full potential of the new paper machine in Obbola.
- Leverage the position as an independent supplier of containerboard.
- Continue to develop services and product range.
- Evaluate further development of the Munksund paper mill, focusing on specialty grades such as white-top kraftliner and wet-strength kraftliner.

Financial key figures

SEKm	2025	2024
Net sales	6,992	6,434
EBITDA	1,111	932
EBITDA margin, %	15.9	14.5
Operating cash flow	422	366
Strategic capital expenditures	58	81
Capital employed	10,514	10,626
Return on capital employed, %	3.0	1.3
Deliveries, kraftliner, thousand tonnes	948	893
Average number of employees	675	677

Economic conditions drive demand
SCA produces kraftliner, meaning packaging paper based mainly on fresh wood fiber. Containerboard also encompasses packaging paper made from recovered fiber, known as testliner. Containerboard is used in the surface layer of corrugated board. The corrugated middle ply is called fluting.

Containerboard is overwhelmingly used for transport packaging. A booming global economy and high production of various products drive demand for packaging. The demand for high-quality packaging is fueled by e-commerce, where products are shipped directly to the consumer from the manufacturer or distributor. Globalization, involving more complex supply chains, is also a driving force.

In 2025, economic conditions have been weak both globally and in Europe. The geopolitical situation has contributed to uncertainty and cautious trade.

SCA holds a strong position in the European market. Demand for specialty products, such as white-top packaging paper or wet-strength paper, is more stable over time. SCA's range of specialty products therefore represent a strength in a hesitant market. The high quality standards also make it difficult for other suppliers to enter this market.

The Obbola kraftliner mill is one of the most modern paper mills in the world.

Market

The global market for containerboard is more than 190 million tonnes, of which kraftliner accounts for about 35 million tonnes. Kraftliner is manufactured from fresh fiber, in contrast to the larger range of testliner, which is manufactured from recovered paper. Most kraftliner is unbleached, meaning brown. Kraftliner is also manufactured with a white-top coating, which has a market share of just over 15%.

The European market for containerboard amounts to just over 30 million tonnes. SCA is the largest independent supplier of fresh fiber-based kraftliner in Europe.

Overall, containerboard packaging has excellent climate properties.

Sustainable packaging
Packaging is part of a supply chain that goes from the manufacturer to the end consumer. Its main function is to ensure that the product reaches the consumer undamaged and in good condition.

These supply chains are facing increasing environmental requirements. In particular, it is important to minimize the impact on the climate. This is a strength for packaging materials based on renewable raw materials and where the packaging is also part of a well-developed recycling process. SCA's fresh fiber-based kraftliner becomes new packaging in the form of recovered paper-based testliner. Containerboard is also a lightweight material relative to its function. Overall, the material's climate properties are excellent, particularly compared to alternatives such as plastic.

Containerboard

OBBOLA, UMEÅ

Production capacity: 725,000 tonnes/year.

Product range: Brown kraftliner for consumer and transport packaging with a focus on lighter and standard grades.

MUNKSUND, PITEÅ

Production capacity: 415,000 tonnes/year.

Product range: Brown and white-top kraftliner for consumer and transport packaging. Specialized in heavy-duty, wet-strength and white-top grades.

Renewable Energy

Stable profitability despite challenging markets

Renewable energy is a segment strongly impacted by policy decisions at the national and supranational levels. After a turbulent 2024, conditions have stabilized somewhat. SCA's strong position and assets in wind, solid biofuels and liquid biofuels provide favorable conditions for continued profitability growth.

Energy plays an important part in most of SCA's processes, with the Company utilizing internal energy resources to a large extent. The Company has significant renewable energy resources in all parts of its operations. The large forest holding provides good locations for wind power generation as well as for other electricity-intensive activities. The forest has significant untapped energy resources, such as branches and crowns. The sawmills generate feedstock fuel in the form of bark, sawdust and dry chips. Pulp and paper mills also generate bark, as well as by-products such as lye and tall oil.

SCA's operations aim to create the highest possible value from the forest holding. Renewable Energy's contribution is to maximize the value of residual products from the forest, sawmills and fiber industries, while the landholding offers opportunities in the form of wind power production.

Major wind power production on SCA land

As Europe's largest private forest owner, SCA has many areas of land with favorable wind conditions and the competence to drive wind power development. At the end of 2025, the capacity for wind power production on SCA's land was 10.6 TWh per year, equivalent to about 20% of Sweden's total wind power production. SCA's development potential for new wind farms is estimated at an annual production equivalent to 15–20 TWh.

In addition, permits and leases for the first wind farms will expire in the late 2030s. This means there will be an opportunity over time to redevelop the farms and thus create up to about 30 TWh of additional electricity generation per year on land already used for wind power. Overall, SCA believes there are extensive opportunities to satisfy the growing demand for electricity that is expected from, for example, the steel and fuel industries, data centers and electrified transport.

There are three revenue streams for wind power:

- For wind farms and battery energy storage systems (BESS) on SCA's land that other providers own and operate, the Company receives a lease payment based on revenue from electricity and support services from the farm.
- Development of wind power projects. The major expansion of wind power on SCA's land has given the Company substantial insight into preparing and developing wind power projects, from early evaluations to permitted projects. These projects can then be sold or executed in collaboration with various parties, and contribute additional lease income.
- Finally, SCA produces its own renewable electricity, supporting the Company's self-sufficiency in terms of electricity. SCA's wind farms, Fasikan and Skogberget, ensure security of supply and cost control.

"SCA has significant renewable energy assets in all parts of its operations."

Strategy – wind power

- Maximize value of wind power on SCA's land and increase lease income.
- Develop a project portfolio for divestment, cooperation or investment.
- Own wind power production to increase degree of self-sufficiency in electricity.

Strategy – renewable fuels

- Realize the full potential of the biorefinery in Gothenburg.
- Develop the conditions for a biorefinery adjacent to Östrand pulp mill.

Strategy – bioenergy

- Maximize the value of solid biofuel streams from SCA's value chain.
- Guarantee access to feedstock fuel.

Tall oil from SCA's industries is an important component of liquid biofuels.

Full production of liquid biofuels

In its second year of operation, the biorefinery in Gothenburg has ramped up to full production capacity. The facility has an annual capacity of about 200,000 m³ of liquid biofuel, equivalent to the total fuel requirements of domestic flights in Sweden. The biorefinery is jointly owned with the energy company St1, and SCA's stake corresponds to 25%. About 15% of production is derived from tall oil-based raw material from SCA's kraft pulp mills in Östrand, Obbola and Munksund.

SCA and St1 continue to work closely together and are exploring the possibility of establishing another biorefinery adjacent to the Östrand pulp mill.

Bioenergy – a reliable renewable energy resource

Bioenergy is Sweden's largest energy source and plays an important role in Sweden's total energy supply. Bioenergy is a reliable, domestic and renewable energy resource.

SCA is Sweden's third-largest supplier of solid biofuels and second-largest supplier of fuel pellets. Demand is stable and growing, but is impacted by winter temperatures and the price of electricity.

In 2025, SCA produced 11.2 TWh of bioenergy. 9.0 TWh were used in SCA's own plants and 2.2 TWh were delivered to external customers. Of the external deliveries, 1.0 TWh consisted of processed solid biofuels, meaning fuel pellets, 0.8 TWh was unprocessed solid biofuels, meaning bark, sawdust and residual products from harvesting, and 0.4 TWh was district and waste heat. SCA's production capacity at fully or partially owned plants is 340,000 tonnes of pellets per year.

Financial key figures

SEKm	2025	2024
Revenue[1)]	2,051	2,050
EBITDA	442	451
EBITDA margin, %[2)]	21.5	22.0
Operating cash flow	328	481
Strategic capital expenditures	1,016	365
Capital employed	3,461	2,399
Return on capital employed, %	11.8	17.1
Deliveries, renewable electricity own wind power, GWh	98	183
Average number of employees	72	69

[1)] Revenue consists of net sales and other operating income.
[2)] EBITDA as share of revenue.

Market

Political decisions at local, national and European levels influence the energy market. The ambition in the EU has long been to replace fossil fuels with renewable alternatives. In recent years, reducing dependence on energy imports from unstable countries has also become a key driver for Europe in developing competitive alternatives.

Onshore wind power has been fully commercial for about a decade now, and is the cheapest method of producing new electricity in Sweden without subsidies. Market conditions for new wind power projects in northern Sweden are expected to be favorable as of the late 2020s. This is due to several ongoing transmission grid projects that will increase transmission capacity to southern Sweden and Finland. Growing demand from electricity-intensive industries is also a factor.

The liquid biofuels market is also driven to a great degree by regulatory processes, and the ambition to replace fossil fuels with renewable alternatives. As part of the Renewable Energy Directive III (RED III), the EU has set progressively stricter requirements for the use of renewable fuels, with the aim of achieving significant emission reductions and increasing the share of renewable energy in the mix by 2030. The EU has established clear sustainability criteria for liquid biofuels to ensure that only sustainable raw materials are used. In parallel, the EU has introduced more robust control mechanisms to counteract miscertification. The market continues to evolve as climate and sustainability ambitions are integrated into legislation. The EU's stabilization measures – such as its enhanced monitoring program and anti-dumping measures – aim to maintain a level playing field. In general, demand for renewable fuels from sustainable sources is expected to grow steadily and to outstrip supply.

National and supranational regulations also impact solid biofuels. In Sweden, tax on fossil carbon dioxide has long made it profitable to switch from fossil fuels to renewable alternatives for heat and CHP generation. The main customers for solid biofuels in Sweden are district heating plants and industrial operations. Pellets are also widely used in small boilers for households and small industries.

Pellets are widely used by households and small industries.

Facilities

SCA BIONORR, HÄRNÖSAND

Capacity: 180,000 tonnes of pellets

SCA TUNADAL

Integrated with Tunadal sawmill

Capacity: 12,000 tonnes of pellets

SCA STUGUN

Integrated with Stugun planing mill

Capacity: 24,000 tonnes of pellets

SCA RUNDVIK

Integrated with Rundvik sawmill

Capacity: 25,000 tonnes of pellets

BIOENERGI I LULEÅ AB

Joint venture with Luleå Energi AB

Capacity: 100,000 tonnes of pellets

GOTHENBURG BIOREFINERY

Joint venture with St1

Capacity: 200,000 tonnes of liquid biofuel

SKOGBERGET WIND FARM

Capacity: 200 GWh/year

FASIKAN WIND FARM

Capacity: 330 GWh/year (2026)

Logistics

SCA's own logistics provide security in a turbulent environment

The business environment in 2025 was highly uncertain and constantly changing, particularly with regard to the introduction of tariffs and rapid amendments to these changed business conditions at short notice. This places high demands on flexible and cost-effective logistics.

Logistics is a significant expense item for a forestry company, accounting for about 20%. Raw materials must be delivered to production facilities and products must be shipped to customers worldwide. To optimize freight flows, SCA has set up its own logistics systems in both raw material supply and the distribution of finished products. In forest operations, SCA is Sweden's largest user of rail transport for wood, with its own transportation system from inland forests to industrial sites on the coast. For finished products, SCA has built up efficient systems for ship transport, complemented by rail and road transport.

Raw material transportation

SCA's wood raw material is collected from forests throughout northern Sweden. All timber transportation begins on trucks. If the distance to the mill is short, the timber is driven directly by truck. If the distance exceeds about 100 kilometers, the timber is driven to a rail terminal and then transported onward by rail to the mills. In 2025, record volumes of wood were transported by rail. Timber from SCA's forests in the Baltic region, as well as purchased timber, is transported by sea. SCA exchanges timber with other forest product companies to reduce transport distances to industry, thereby reducing costs and emissions.

The SCA unit that uses the most timber is the Östrand pulp mill, which is largely supplied by rail. Timber can also be transported from southern and central Sweden at a competitive cost by using efficient rail transportation.

An electric timber truck transports wood from the Umeå railway terminal to the Obbola paper mill. Another electric timber truck transports timber from the forest to timber terminals in southern Norrland.

Delivery of finished products

Transport by ship is the most common method for transporting finished products. It is flexible and offers good potential for rationalization and development. SCA uses three different types of vessel transport.

Breakbulk shipping involves lifting goods on and off cargo ships. It is possible to consolidate different products being dispatched to the same destination. With storage space and good internal planning, larger quantities of goods can be consolidated per shipment, and cost reductions and lower emissions can be realized by using larger vessels. Pulp, containerboard and solid-wood products are now shipped to North America using vessels weighing over 30,000 tonnes per departure, compared to around 15,000 tonnes previously.

SCA's packaging paper is subject to higher demands in terms of the required standard of handling. It needs shorter and more reliable lead times, meaning that large flows are transported by specially built RoRo (Roll-on/Roll-off) vessels. This means that the products are pre-loaded onto cassettes, which can subsequently be quickly loaded on or off the vessels, without needing to handle the reels on board the vessels. Rapid loading and unloading mean that the transports become value independent. SCA owns three RoRo vessels that operate scheduled services between ports in northern Sweden and terminals in the UK and on the continent.

For some markets, such as Asia, products are often shipped in containers. They are normally loaded onto smaller vessels from Sweden to the major international container ports on the continent. From there, the goods are shipped on large ocean-going container vessels to destinations on other continents, such as Shanghai in China.

The new port constructed by SCA in Sundsvall has enabled the utilization of larger vessels and efficient goods handling in port, leading to significant efficiency improvements and savings.

Regulations and restrictions on maritime goods transportation in Europe in particular, but also globally, are a major cause of rising costs. Maritime transport is now included in emissions trading, with requirements placed on the blending of renewable fuel. Larger vessels and optimized routes and vessel speeds are used to offset these cost increases.

Maritime transport is complemented by road and rail transport. Within Sweden, SCA operates rail shuttles between Piteå, Umeå and Falköping for deliveries to customers in southern Scandinavia. The same system transports production material northwards.

"SCA's new port in Sundsvall enables the utilization of larger vessels and more categories of goods."

The share and the shareholders

The SCA share is quoted and traded on Nasdaq Stockholm. The Company's market capitalization was approximately SEK 86bn at year-end.

SCA's share capital comprises two classes of shares, shares of Class A and of Class B. Each Class A share carries ten votes and each Class B share carries one vote. Class A and Class B shares hold the same right to dividends. Both share classes are listed on Nasdaq Stockholm and are part of the Large Cap segment.

Share performance
At the end of 2025, SCA's Class B share was listed at a price of SEK 122.6 and SCA's Class A share at SEK 122.6, corresponding to a market capitalization of SEK 86bn. SCA's Class B share noted a change of –13% during the year. During the corresponding period, the index of the 30 most traded shares, OMX Stockholm 30, increased 16%. The highest closing price for SCA's Class B share was SEK 153.45, which was noted on February 13. The lowest closing price during the year was SEK 118.05, noted on November 20. Since the distribution of Essity in 2017, the total return for SCA's Class B share has been 123%, which compares with a total return for OMX Stockholm 30 of 125%. SCA's total shareholder return amounted to –11% in 2025.

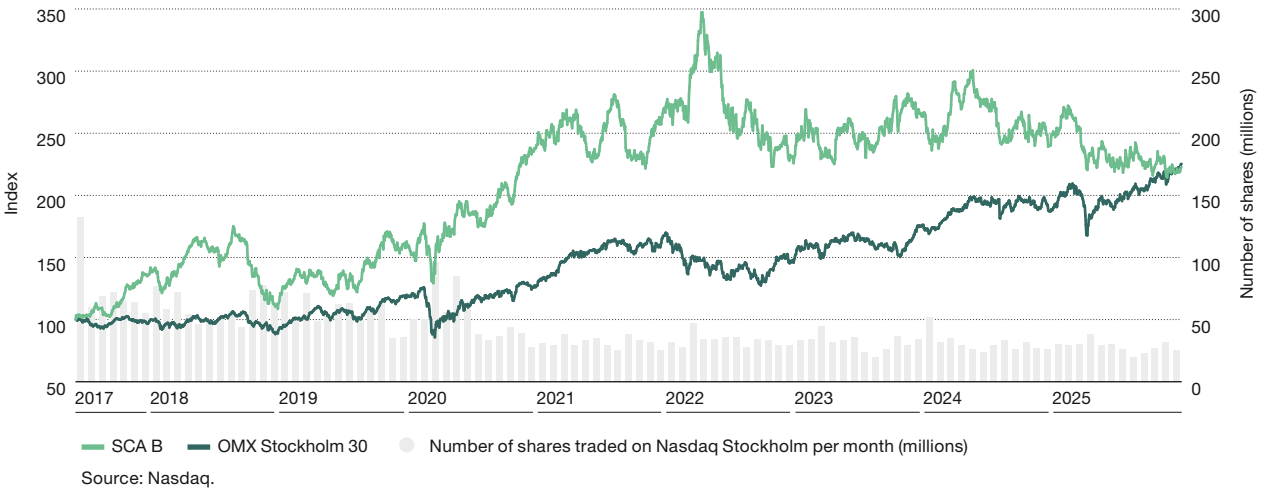
Share trading
During 2025, trading on all marketplaces amounted to approximately 1,171 million SCA shares. On Nasdaq Stockholm, approximately 341 million SCA shares were traded, which corresponds to about 1.4 million shares per day on average. During the year, the SCA share was also traded on other market-places. The highest trading volume was on Cboe Global Markets (623 million shares) and LSE Group (148 million shares).

Ownership structure
SCA had approximately 107,000 shareholders as of December 31, 2025. At the end of the year, some 61% of the share capital was owned by Swedish investors and about 39% by investors outside Sweden. Ownership was divided among Swedish institutions with 47%, foreign institutions with 33%, Swedish private individuals with 12% and other owners with 8% of the share capital. The US and Norway accounted for the highest percentages of shareholders registered outside Sweden.

Dividend and dividend policy
SCA aims to provide long-term, stable and increasing dividends to its shareholders. When cash flow from current operations exceeds what the Company can invest in profitable growth over the long term, and provided that the capital structure target is met, the surplus shall be distributed to the shareholders.

A dividend of SEK 3.00 per share was disbursed for the 2024 fiscal year. The Board of Directors proposes a dividend of SEK 3.00 per share for the 2025 fiscal year.

Total shareholder return, index



Source: Nasdaq.

SCA's ten largest shareholders, as of December 31, 2025

Shareholders	No. of Class A shares	No. of Class B shares	Capital %	Votes %
Industrivärden	31,500,000	54,500,000	12.24	29.35
AMF Pension & Fonder	2,500,000	64,162,546	9.49	7.08
Norges Bank Investment Management	8,066,000	41,597,375	7.07	9.71
BlackRock		31,598,762	4.50	2.51
Vanguard	180,052	25,364,270	3.64	2.16
Alecta Tjänstepension		20,838,190	2.97	1.65
MFS Investment Management		15,200,780	2.16	1.21
Handelsbanken Funds		14,754,939	2.10	1.17
Carnegie Fonder		11,603,036	1.65	0.92
Folksam		11,471,288	1.63	0.91
Ten largest	**42,246,052**	**291,091,186**	**47.46**	**56.67**
Other	19,620,378	349,384,873	52.54	43.33
Total	**61,866,430**	**640,476,059**	**100.00**	**100.00**

Source: Modular Finance AB.

Shareholders by country, capital

Sweden	61%
US	18%
Norway	9%
Other	12%

Source: Modular Finance AB.

Shareholder structure, as of December 31, 2025

Holding	No. of known shareholders	No. of shares	Capital %	Votes %
1–1,000	91,786	19,631,742	2.80	3.22
1,001–2,000	7,378	10,863,726	1.55	1.75
2,001–5,000	5,004	16,008,457	2.28	2.57
5,001–10,000	1,646	11,750,979	1.67	1.82
10,001–20,000	649	9,249,589	1.32	1.35
20,001–50,000	351	10,768,402	1.53	1.46
50,001–100,000	145	10,262,926	1.46	1.54
100,000–	240	580,490,875	82.65	83.78
Unknown size of holding		33,315,793	4.74	2.51
Total	**107,199**	**702,342,489**	**100.00**	**100.00**

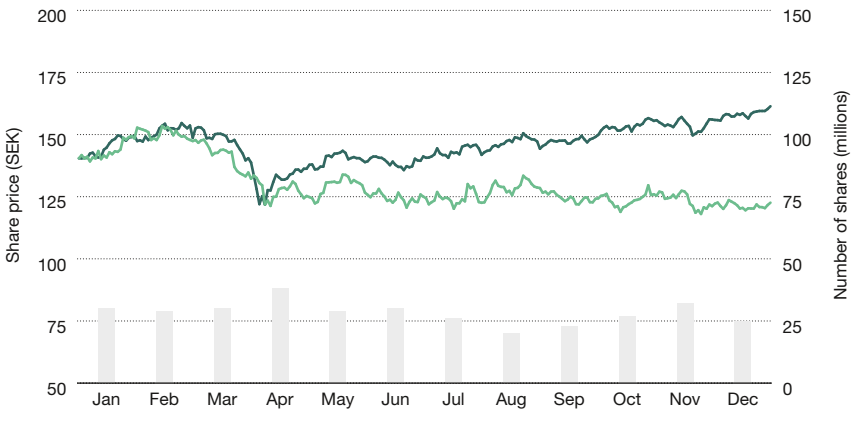
Source: Modular Finance AB.

Types of ownership, capital

Swedish institutional owners	47%
Foreign institutional owners	33%
Swedish private individuals	12%
Other	8%

Source: Modular Finance AB.

Share price and trading volume 2025



Source: Nasdaq.

Earnings per share (SEK)

4.56

Proposed dividend per share (SEK)

3.00

Board of Directors' Report

Board of Directors' Report

SCA is Europe's largest private forest owner with 2.7 million hectares of land in northern Sweden, Estonia, Latvia and Lithuania. The forest is a real asset, which grows each year and forms the core of SCA's operations. Around this renewable resource SCA has built a well-invested and efficient value chain.

About SCA

The forest is at the core of SCA's operations. Around this resource, SCA has built an integrated and well-invested industry, which is utilizing and maximizing the value of the entire tree. Using the raw materials, SCA develops products for customers all over the world with high demands on quality, delivery reliability, service and sustainability. The most valuable part of the tree is used for sawlogs and as much as possible of the timber is sawn to become solid wood products for industrial customers and the building materials trade. Bark is used in energy production. Woodchips together with the upper part of trees are used to make pulp and kraftliner for further processing by customers into tissue and packaging. Sawdust is used to make pellets for energy production at SCA and externally. Steam and other products from pulp production are used to deliver heat to the local district heating system, generate green electricity and also produce liquid biofuels and green chemicals. As Europe's largest private forest owner, SCA also has many areas of land with favorable wind conditions that are used for wind power.

Events during the year

Forest assets

Increased standing volume

The annual gross growth in SCA's forest holdings amounted to approximately 10.9 million m³fo in 2025, according to estimates based on the survey for the Swedish holdings conducted in 2019 and estimated growth in the Baltic region. SCA's total standing volume amounted to 277 million m³fo as of December 31, 2025, of which 8 million m³fo in the Baltic region.

Valuation of SCA's forest assets

SCA bases its valuation of forest assets on completed forest transactions in the areas where SCA owns forest. The three-year average market price used in valuation of SCA's forest assets on December 31, 2025 was SEK 372/m³ fo (388) for the Swedish holdings and EUR 44/m³ fo (44) for the Baltic holdings. Applied to SCA's standing timber volume of 277 million m³ fo (274) on December 31, 2025, the carrying amount of SCA's forest assets was SEK 103.8bn (107.3), of which SEK 99.8bn (103.1) related to Sweden and SEK 3.9bn (4.2) related to the Baltics. The decrease in the Baltics was related primarily to negative currency translation effects.

Forest assets comprise biological assets, meaning the trees currently standing in the forest, and land assets. A valuation model is used based on discounted cash flows to determine the change in value of biological assets. The change in value of biological assets is recognized in profit or loss and amounted to SEK 1,782m (1,840) in 2025. The change was driven by a higher long-term timber price and a higher standing volume from continued net growth in SCA's forests.

The value of the land asset is calculated as the total value of the forest asset based on forest transactions less the value of the biological assets. The change in value pertaining to land amounted to SEK –5,346m (–2,376) and is recognized as other comprehensive income (no effect on net profit for the period). The change was mainly driven by a lower market price for forest assets. Other items including net acquisitions and exchange rate effects, amounted to SEK 1m (384).

Investments

Investment in expanded kraftliner capacity

In 2019, SCA decided to invest in a new paper machine for the production of kraftliner at the Obbola paper mill in Umeå. The paper machine began operating at the end of 2022. Production in Obbola is expected to increase from the previous 450,000 tonnes of kraftliner to 725,000 tonnes per year, once the ramp-up of the paper machine has been completed. The total investment will be approximately SEK 7.5bn and is recognized as a strategic capital expenditure.

Investment in forest land in the Baltic region

SCA has an ongoing investment program to acquire 100,000 hectares of forest land in the Baltic region. At the end of 2025, SCA had a holding of about 67,000 hectares of forest land, and approximately 10,000 hectares of other land that can be converted to forest land or be sold. The acquisitions are recognized as strategic capital expenditures.

Investing in wind power

In 2023, SCA decided to invest in a wind power project located on SCA's land in Bräcke Municipality, in the county of Jämtland. The wind farm was taken over by SCA at the end of 2025. Annual production is expected to be approximately 330 GWh. The total investment is expected to amount to SEK 1.7bn and is recognized as strategic capital expenditure.

Financial performance

Net sales

SCA's sales in 2025 were in line with the preceding year. Higher delivery volumes and higher selling prices were offset by negative exchange rate effects. Net sales amounted to SEK 20,427m (20,232), a change of +1%, of which price/mix accounted for +1%, volume +4% and currency –4%.

In the Forest segment, net sales increased 13% to SEK 9,962m (8,830), primarily related to higher selling prices for sawlogs and pulpwood, and higher delivery volumes to SCA's industries.

In the Wood segment, net sales increased 11% to SEK 6,125m (5,539). The change was attributable to higher delivery volumes and higher selling prices.

In the Pulp segment, net sales decreased 11% to SEK 7,143m (8,058). Sales were negatively impacted by lower selling prices and negative exchange rate effects.

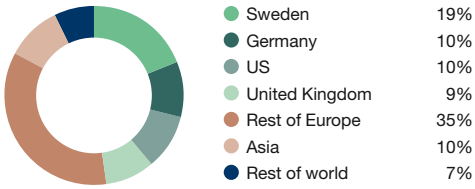
In the Containerboard segment, net sales increased 9% to SEK 6,992m (6,434). Higher selling prices and higher delivery volumes from the new paper machine had a positive impact on net sales, which was offset by negative exchange rate effects.

In the Renewable Energy segment, income, which comprises net sales and other operating income, was in line with the preceding year and amounted to SEK 2,051m (2,050). Higher delivery volumes of bioenergy were offset by lower selling prices.

The Group's total other operating income amounted to SEK 3,020m (3,395). Other operating income comprises products and services such as energy products, sales of freight services to external customers and wind power leases (see Note B1 and B2).

SCA is an export-oriented company and approximately 80% of net sales relate to sales outside of Sweden. The single largest individual export market is Germany (10% of net sales) followed by the US (10%) and the UK (9%).

Net sales by geography in 2025

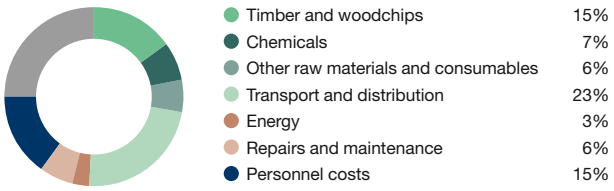


Cost structure

SCA's total operating expenses in 2025 were SEK 18,731m (18,283), an increase of 2% compared to 2024. The largest share of the cost base comprises other operating expenses (25%), transportation and distribution costs (23%), personnel costs (15%), timber and woodchips (15%), and chemicals (7%).

Research and development (R&D) costs during the year amounted to SEK 48m (48).

Cost structure 2025



Performance

EBITDA decreased to SEK 6,564m (7,143), corresponding to an EBITDA margin of 32.1% (35.3). The change was primarily due to negative exchange rate effects and higher raw material costs, although these were partly offset by higher delivery volumes and higher selling prices. High rate of self-sufficiency in wood raw material remained a key component for mitigating the impact of rising raw material costs. The cost of planned maintenance stops amounted to SEK 510m (489). EBITDA excluding the revaluation of biological assets decreased to SEK 4,782m (5,303).

In the Forest segment, EBITDA increased 7% compared with the preceding year and amounted to SEK 3,788m (3,531). This increase was primarily attributable to higher prices for sawlogs and pulpwood and a higher share of harvesting from SCA-owned forest, which were offset by lower revaluation of biological assets.

In the Wood segment, EBITDA decreased 8% to SEK 856m (927). This decline was primarily attributable to higher raw material costs and negative exchange rate effects, offset by higher selling prices and higher delivery volumes.

In the Pulp segment, EBITDA decreased 55% to SEK 752m (1,680). Lower selling prices, negative exchange rate effects and higher costs for wood raw material had a negative impact on earnings. The cost of planned maintenance stops was SEK 306m (279).

In the Containerboard segment, EBITDA increased 19% to SEK 1,111m (932). The increase was primarily attributable to higher selling prices and higher delivery volumes, which were offset by negative exchange rate effects and higher raw material costs. The cost of planned maintenance stops was SEK 204m (210).

In the Renewable Energy segment, EBITDA decreased 2% to SEK 442m (451). The decrease was primarily attributable to lower selling prices for wind and bioenergy, which were offset by higher earnings in liquid biofuels.

Depreciation and impairment amounted to SEK –2,132m (–2,116).

Operating profit amounted to SEK 4,432m (5,027).

Financial items amounted to SEK –433m (–506).

The Group's tax expense amounted to SEK –794m (–882), corresponding to a tax rate of 19.8% (19.5).

Earnings per share amounted to SEK 4.56 (5.18).

Condensed consolidated income statement

SEKm	2025	2024	Comparison %
Net sales	20,427	20,232	1
Other operating income	3,020	3,395	–11
Change in inventories	71	105	–32
Change in value in biological assets	1,782	1,840	–3
Operating expenses	–18,731	–18,283	2
Result from participations in associated companies	–5	–146	–97
EBITDA	**6,564**	**7,143**	**–8**
Depreciation and impairment	–2,132	–2,116	1
Operating profit	**4,432**	**5,027**	**–12**
Financial items	–433	–506	–14
Profit before tax	**3,999**	**4,521**	**–12**
Income tax	–794	–882	–10
Profit for the period	**3,205**	**3,639**	**–12**
Profit for the period attributable to owners of the Parent	3,205	3,639	
Profit for the period attributable to non-controlling interests	0	–	
Key figures			
EBITDA margin, %	32.1	35.3	
Earnings per share	4.56	5.18	

Reasons for changes in EBITDA outcome in 2025 compared with 2024

	2025
Price/mix, %	2
Volume, %	5
Raw material costs, %	–5
Energy costs, %	2
Currency, %	–9
Other, %	–3
Total, %	**–8**

Cash flow

The operating cash surplus amounted to SEK 4,763m (5,247). The change in working capital amounted to SEK –590m (–441). Current capital expenditures amounted to SEK –1,309m (–922) and for leases to SEK –89m (–187). Other operating cash flow was SEK 303m (–510), which mainly consists of currency hedges related to working capital. Operating cash flow decreased to SEK 3,078m (3,187). Financial items amounted to SEK –364m (–510) and tax payments amounted to SEK –197m (–293). Corporate acquisitions amounted to SEK 0m (–117). No divestments have taken place during the period. Strategic capital expenditures in non-current assets totaled SEK –1,273m (–689) and primarily related to the investment in a wind power project on SCA's land in Bräcke Municipality, in the county of Jämtland. Cash flow before dividend for the period was SEK 1,247m (1,578).

Operating cash flow statement

SEKm	2025	2024
EBITDA	6,564	7,143
Change in biological assets	–1,782	–1,840
Other non-cash items	–19	–56
Operating cash surplus	**4,763**	**5,247**
Change in working capital	–590	–441
Current capital expenditures, net	–1,309	–922
Current capital expenditures, net, lease	–89	–187
Other operating cash flow	303	–510
Operating cash flow	**3,078**	**3,187**
Financial items	–364	–510
Paid tax	–197	–293
Other	3	–
Cash flow from current operations	**2,520**	**2,384**
Corporate acquisitions	–	–117
Divestments	0	–
Strategic capital expenditures in non-current assets	–1,273	–689
Cash flow before dividend	**1,247**	**1,578**

Financial position

SCA's capital employed totaled SEK 112,460m (114,920) as of December 31, 2025, a decrease during the year of SEK 2,460m. At December 31, 2025, net debt totaled SEK 10,939m (10,885), an increase during the year of SEK 54m. Net debt in relation to EBITDA amounted to 1.7x compared with 1.5x in the preceding year. Total equity decreased by SEK 2,514m during the period to SEK 101,521m (104,035) at December 31, 2025.

Balance sheet structure

SEKm	Dec 31, 2025	Dec 31, 2024
Forest assets	103,766	107,329
Intangible and other tangible fixed assets	26,694	26,837
Working capital	5,344	4,768
Current tax and deferred tax	–24,002	–24,267
Other capital employed, net	658	253
Total capital employed	**112,460**	**114,920**
Net debt	10,939	10,885
Net debt/EBITDA	1.7x	1.5x
Equity, attributable to owners of the Parent	101,504	104,035
Equity, noncontrolling interests	17	–
Total equity	**101,521**	**104,035**
Debt/equity ratio, %	10.8	10.5

Other Group information

Parent Company
The purpose of the Group's Parent Company, Svenska Cellulosa Aktiebolaget SCA (publ), is to own and manage shares in a number of subsidiaries and perform Group-wide management and administrative functions. The Parent Company also owns a large share of the Company's forest assets. The Company is a Swedish limited liability company domiciled in Sundsvall with the corporate registration number 556012-6293.

In 2025, operating income amounted to SEK 393m (408) and profit before tax amounted to SEK 1,679m (1,761). For more information, refer to pages 207–215.

Holdings of treasury shares
SCA holds no treasury shares.

Distribution of shares
The total number of shares as per December 31, 2025 amounted to 702,342,489, of which 61,866,430 Class A shares and 640,476,059 Class B shares. At the request of shareholders, 1,833,877 Class A shares were converted to Class B shares in 2025.

Proposed disposition of earnings
The funds at disposal of the Parent Company are SEK 7,920,109,114. The Board of Directors propose to the annual general meeting that a dividend of SEK 3.00 per share is paid, corresponding to SEK 2,107,027,467. The remaining earnings of SEK 5,813,081,647 in the Parent Company, are carried forward. The Board of Directors' proposed record date is March 31, 2026. If the annual general meeting decides in accordance with the proposal, the dividend is expected to be paid out on April 7, 2026. For more information, see note M15.

Environmental impact in Sweden
In 2025, SCA operated 14 major production sites for which a permit is required in Sweden. The value of deliveries from operations for which permits are required accounted for more than 90% of consolidated net sales in 2025. Four permits relate to the manufacture of pulp and paper. These operations impact the environment through emissions to air and water, solid waste and noise. Seven permits relate to the production of solid wood and processed wood products, and solid biofuels and one permit pertains to the manufacture of fuel pellets. These operations impact the environment through emissions to air and water, and noise. Two permits concern wind turbines, which have a limited impact on the environment in the form of noise and shadows.

Guidelines for remuneration of senior executives
The 2022 AGM decided on the guidelines for determining salaries and other remuneration for senior executives. Whenever there is a need for significant changes to the guidelines, the Board of Directors shall prepare proposals for revised guidelines for adoption by the Annual General Meeting (AGM). This should take place at least every four years.

SCA's current guidelines for the remuneration of senior executives, information about the application of these and about benefits paid are described in Note C3 and in SCA's remuneration report on sca.com.

Proposed guidelines for remuneration to senior executives
The Board of Directors proposes that the Annual General Meeting 2026 resolves to approve the following guidelines for remuneration to senior executives.

These guidelines shall apply to remuneration to the President and other senior executives. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2026. The guidelines do not apply to remuneration resolved by the general meeting.

Principles for remuneration
A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit, motivate and retain qualified personnel through competitive remuneration in line with market levels. To this end, the total remuneration is to correspond to market practice and be competitive on the executive's field of profession, as well as be linked to the executive's responsibility, authority and performance. Remuneration may consist of fixed salary, variable remuneration, other benefits and pension, jointly referred to as total remuneration. Senior executives may be offered the opportunity to exchange cash compensation for pension contributions, i.e., to choose to receive part of their remuneration in the form of pension contributions instead of cash salary.

The company's business strategy can be found in the company's annual report.

Variable remuneration
Variable remuneration shall aim at promoting the company's business strategy and long-term interests, including its sustainability. Variable remuneration shall be based on the outcome in relation to short-term and long-term financial targets, targets that contribute to such goals (including sustainability targets), or the value development of the company's Class B share. It shall be linked to the fixed annual salary and have a maximum outcome. Variable remuneration is to be paid as cash remuneration and shall not qualify for pension benefits except where required by mandatory legislation or collective bargaining agreements.

Short-term performance targets may include, for example, organic growth, profit, cash flow, capital efficiency, return, health-safety-environment, local (or business-area-specific) targets, or a combination thereof. Remuneration that may be paid under such short-term performance targets shall not exceed 100 percent of the fixed annual salary.

Long-term performance targets shall be linked to the relative value development of the company's Class B share and the company's climate benefits. Remuneration that may be paid under such long-term performance targets, including performance period, maximum amount and other main conditions, shall therefore be approved by the general meeting.

Total variable remuneration related to short-term performance targets and long-term performance targets in accordance with the description above shall not exceed 100 percent of the fixed annual salary.

Additionally, variable remuneration in the form of project bonuses may be awarded in individual cases. The performance targets shall, in such case, be linked to the project (e.g. Capex or production volume) in order to promote the completion of the project. The satisfaction of targets may be measured, and bonus may be paid, after one or several years. Such project bonus shall not exceed 40 percent of the total fixed annual salary during the relevant period.

When the measurement period for the fulfillment of criteria for variable remuneration has ended, the extent to which the criteria have been met shall be assessed. The Board of Directors shall be responsible for such assessment with regard to variable remuneration for the President. With regard to variable remuneration for other executives, the Remuneration Committee shall be responsible for the assessment. For financial targets, the assessment shall be based on the most recently published financial information by SCA.

The company shall be able to refrain from paying variable remuneration when required and possible under applicable law, if there is special cause and withholding the payment is necessary to serve the company's long-term interests, including its sustainability. The company shall also have the possibility to, under applicable law, reclaim variable remuneration paid on incorrect grounds.

Pension and other benefits
Pension benefits shall solely contain defined premium pension benefits, unless the executive is subject to defined benefit pension under applicable collective agreement provisions. The defined premium pension (including health insurance) shall total a maximum of 50 percent of the fixed annual salary.

Other benefits may include, for example, health insurance, company car and wellness allowance.

In the event of termination of employment, a notice period of two years shall typically apply if the termination is initiated by the company, or one year, if termination is initiated by the executive. Severance pay shall not occur.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Decision-making process and reporting
Issues regarding remuneration to senior executives shall be dealt with by the Board of Directors' Remuneration Committee and, in case of the President, be decided by the Board of Directors. The Remuneration Committee's tasks shall also include preparing the Board of Directors' decision to propose guidelines for remuneration to senior executives, as well as monitoring and evaluating the application of these. The senior executive shall not participate in the Board of Directors' nor the Remuneration Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

In the preparation of the remuneration guidelines, salary and employment conditions for the company's other employees in Sweden shall be taken into account, including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as well as the company's equality policy.

The Board of Directors shall prepare a remuneration report.

Application of and derogation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability. As stated above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions on remuneration related matters, which includes resolutions on deviations from the guidelines.

The guidelines do not take precedence over mandatory provisions under applicable employment regulation or collective agreements. They are also not applicable to agreements already signed.

Information about SCA's current guidelines for remuneration to senior executives, the application of the current guidelines and the company's costs for remuneration to senior executives is covered in note C3 of the company's annual report.

Description of significant changes compared to previous guidelines
Compared to the guidelines resolved by the Annual General Meeting 2022, the proposed guidelines have been updated to:

- Clarify that senior executives may be offered the opportunity to exchange cash compensation for pension.
- Clarify the process for assessing target achievement for variable remuneration and the application of and deviations from the guidelines.
- Remove the provision on planned retirement age.
- Clarify that appropriate adjustments may be made with regard to pension benefits and other benefits for employment relationships that are governed by rules other than Swedish.

Finally, certain editorial changes have been made for clarification purposes.

Risks and risk management

SCA is exposed to a number of risks. These risks pertain to factors or events that may impact SCA's brand and credibility and ability to be a sustainable company with good profitability over time. Through effective risk management, SCA is proactive in minimizing the risk and in reducing the negative effects should events occur. Most risks could have a positive or negative impact on the Company. Examples include "Demand and market price for SCA's products" and "Raw material prices". The current geopolitical situation affects several different risks and contributes to greater uncertainty when assessing risks than normal. SCA has included this when assessing relevant risks.

Process for risk management

SCA's Board determines the Group's strategic direction after recommendations from Executive Management. Responsibility for the long-term, overall management of risks corresponds with the Company's decision and delegation scheme. This implies that most of SCA's operational risks are managed by SCA's business areas at the local level, but that the handling is coordinated when deemed necessary and effective. The tools for this work primarily comprise continuous reporting by the business areas and the annual review of the risk scenario, where identifying, evaluating and managing risks are a part of the process. Identified risks are classified according to the likelihood of the risk occurring and the assessed impact on SCA's performance. Approved control measures are followed up and assessed within the framework of the Company's internal control. When a risk scenario changes during the year, the measurement and management of relevant risks are updated.

SCA's financial risk management is centralized, as is the corporate internal bank for handling the Group companies' financial transactions and management of the Group's energy price risks. The financial risks are managed in accordance with the Group's Financial Policy, which is set by SCA's Board of Directors. Together with the Company's instructions for energy trading, this provides a framework for management activities.

SCA's corporate Internal Audit function ensures that SCA complies with policies and other governing documents, and that the organization implements approved measures to manage identified risks. The Internal Audit function reports to the Board of Directors through its Audit Committee.

Operational risks

Description of risk	Management and comments for the year
Demand and market price for SCA's products	
Demand for SCA's products is influenced by several factors, such as the general economic trend, and also more specifically through trends in construction and in the building materials trade, as well as an increase in e-commerce. Other products and services can substitute SCA's products at the same time as SCA's products can replace other products and materials. SCA is benefiting from the substantial and growing need to replace fossil materials with renewable alternatives. Tariffs and trade barriers can cause uncertainty and impact market conditions. **Impact:** ○ ○ ● **Change:** —	In most of the product areas where SCA operates, there are a number of competing producers and distinct market prices. Supply is determined by the available production capacity and price is based on supply and demand. Sales contracts can use market prices based on published price indexes, sometimes with a certain time lag to events in the market. Sales contracts can also state a price, which is valid for during the period of contract. Variations in market prices can cause significant fluctuations in profit for SCA. Several methods are used to address the risk of a fluctuating market price. Long-term contracts at fixed prices or price hedging only occur in exceptional cases. If the impact of price movements is expected to be negative and long-term, measures can be taken to adapt the cost scenario, for example, by renegotiating agreements, capacity or personnel changes, and reviewing the business structure. A transition to alternative production can also be considered where this is possible. The Company's innovation work aim to develop new products, services and process solutions that enhance competitiveness. Tariffs and increased trade barriers create uncertainty and unpredictability, which could affect future market conditions. SCA is monitoring developments and adjusting its market exposure where possible. In 2025, additional customs duties did not have a material impact on earnings.
Raw material prices and other costs for input goods and services	
The market price fluctuates over time for raw materials, input goods and services used in SCA's operations. This could have a positive or negative impact on earnings. About 80% of SCA's cost base is made up of raw materials, input goods and services. SCA's cost structure is described in the Board of Directors' Report. **Impact:** ○ ○ ● **Change:** —	Price movements on raw materials, input goods and services can be managed in several ways. SCA has an integrated value chain with a high degree of self-sufficiency in wood raw material, energy and logistics, which contributes to risk reduction. SCA is Europe's largest private forest owner and in 2025, approximately 60% of SCA's wood raw material requirements were covered by its own forests and woodchips from its own sawmills. Through its large forest holding and energy-efficient industrial processes, SCA is also a net producer of bioenergy. SCA is both a major user and producer of electricity. In 2025, SCA used 2.0 TWh of electricity while the Company produced 1.3 TWh of electricity. The Company's wind power leases reduced its price exposure further. The Company's wind power leases reduced its exposure further. The price risk may also be reduced by using financial hedges and long-term contracts. According to internal rules, the electricity price risk can be hedged for up to 36 months. For 2026 approximately 60%, for 2027 40% and for 2028 0% of the forecast net electricity consumption has been hedged. Under normal circumstances, no other price risks in input goods are hedged. Transport expenses account for a large share of SCA's cost base. Use of SCA's own logistics operations enables the system to be optimized and risks minimized. In addition, the risk is minimized through investments, together with partners, in the production of liquid biofuels. SCA also works actively to reduce cost risk by renegotiating contracts, identifying new suppliers or replacing input goods and services where prices have risen.

An assessment of the potential impact on SCA based on a combination of likelihood and financial impact.

● Low ● Medium ● High

Refers to change compared with the preceding year.

↑ Increased risk (impact and/or likelihood) — Unchanged risk ↓ Reduced risk

Description of risk	Management and comments for the year
Environmental impact	
SCA's operations have an impact on air, water, land, noise levels and biological processes. These effects could lead to costs to prevent or limit the impact on the environment or costs to restore environments affected by SCA's operations. Demands for restoring the environment may also relate to the impact of SCA's previous operations. SCA's industrial operations in Sweden require a permit in accordance with the Swedish Environmental Code, which stipulates limits for the scope of operations and the permitted impact on surroundings. Any expansion or changes to operations may require further action. Forest operations are also impacted by the Swedish Forestry Act and the Land Acquisition Act. **Impact:** ○ ● ○ **Change:** —	SCA's Sustainability Policy details guidelines for the Group's work in environmental and social responsibility. Each production unit sets targets to reduce its environmental impact. Targets and action plans are based on evaluations of environmental aspects, identifying potential and actual negative impacts. Environmental risks are minimized through preventive work in the form of certified environmental management systems, control programs for compliance with environmental permits, and risk analyses in conjunction with acquisitions, as well a through remediation projects in connection with plant closures. Through its Resource Management System (RMS), SCA monitors how the Company utilizes energy, water, transport activities and raw materials. All employees are encouraged to report observations and any incidents, which is part of preventive work and efforts to achieve continuous improvements. SCA has spent many years striving to steadily increase the share of renewable energy and minimize waste. SCA's integrated value chain helps to increase circularity as by-products and side streams from one process become raw materials for another process.
Climate change	
Climate change entails risk to SCA's operations. Changes to weather conditions could lead to drought, which in turn could lead to increased risk of insect damage and fires. More storms increase the risk of storm damage. Timber harvesting and transportation could be impacted by a milder climate with more rain creating difficult terrain, particularly in the spring. Political decisions taken to reduce or limit the effects of climate change may affect the Company in various ways. A changing climate could affect biodiversity in the Company's forests as living conditions for various species are altered. Access to fresh water may be adversely impacted by a warmer climate. At the same time, climate change in the form of global warming is, to a certain extent, expected to have a positive impact by creating a more favorable climate for forest growth in northern Sweden. To counteract climate change, demand is increasing for renewable and fossil-free alternatives, which favors SCA. **Impact:** ○ ● ○ **Change:** —	The main impact for the Company is considered to be related to the forest and forest management. Since forest operations have a long perspective of 100 years, it is difficult to predict how different aspects of climate change will interact. A warmer climate will probably lead to higher growth in the forest but in parallel greater risk of pests, extreme weather conditions and longer periods of drought. SCA takes part in various research collaborations to increase knowledge of how the forest may be impacted by climate change and how forest operations can be adapted to best address these changes. Transition risks could entail both risks and opportunities. Increased demand for renewable energy and products based on renewable materials offer SCA an opportunity. Political decisions to limit climate change could positively or negatively impact the Company, refer also to political risks. Political decisions can lead to increased costs, such as in the form of charges and taxes. Higher charges for fossil emissions from shipping will increase costs before new technologies or fuels are available. The Company's industrial processes are almost fossil-free as a result of structured efforts over many years to optimize energy use and replace fossil fuels with solid biofuels. The Company's largest exposure to fossil fuels is related to transportation and various actions are being taken to reduce consumption. One example is electric timber trucks. In 2024, an electric timber truck was put into operation to transport timber from the forest to timber terminals. It is now being evaluated as part of day-to-day operations. Since 2022, SCA has also operated an electric timber truck for transportation from the timber terminal in Gimonäs to the Obbola paper mill. A more detailed analysis of climate-related risks and opportunities is presented on pages 81–83.
Business conduct	
Unethical behavior or poor management of risk linked to business ethics can damage SCA's brand and credibility. The Company may also suffer fines and other legal sanctions. Through good business conduct, the Company can contribute to positive development across the value chain, safeguard human rights and minimize the risk of corruption and money laundering. **Impact:** ○ ● ○ **Change:** —	To ensure that SCA and its employees live up to the Company's core values and is not involved in or linked to unethical business practices, SCA has a Code of Conduct. This includes general rules for how SCA conducts its business and how the Company's employees are to act toward each other and in business relationships. The Code is a policy approved by SCA's Board of Directors and is regularly reviewed. The Code includes principles on business conduct, relationships to employees, respect for human rights and environmental considerations. All employees are educated in the Code as part of the introduction for new employees and through refresher courses. To ensure that SCA works with business partners that share the Company's values, potential partners are evaluated before cooperation is initiated. The evaluation comprises both business issues and issues concerning existing policies and processes regarding, for example, the work environment and business conduct. Suppliers are expected to comply with SCA's Supplier Standard, which is regulated in supplier agreements. SCA uses a number of methods to monitor and safeguard the implementation of the Code of Conduct. These include checks in connection with acquisitions, risk evaluation of the Company's own units and suppliers, and on-site audits of SCA's units and of suppliers deemed to have a higher risk level. SCA has a whistleblower system where both internal and external parties can report suspected violations of the Code, which are processed by the Company's Compliance Council. If necessary, the audit is carried out by a third party.
Legal risks	
SCA conducts operations covered by laws, rules and regulations, much of which are subject to permits. SCA may be subject to commercial disputes and other legal procedures. **Impact:** ○ ● ○ **Change:** —	SCA monitors legal developments in relevant areas to ensure regulatory compliance. The Company takes the measures required to comply with regulatory changes and provides employees with relevant training. SCA is also a member of trade associations to safeguard the Company's interests on legal issues. SCA's facilities continuously monitor their environmental impact and compliance with permits issued.
Reputational risk	
Stakeholders' actions and views, and their perceptions of SCA and its operations, can impact confidence in SCA. Individual events could also damage the credibility of the Company. An example of this could be non-compliance by an employee, contractor, supplier or business partner with laws and regulations or governing documents, such as SCA's Code of Conduct. SCA could also be affected by accidents that damage the reputation of SCA and its ability to conduct business in a safe, responsible and efficient manner. **Impact:** ○ ● ○ **Change:** —	SCA holds discussions with its stakeholders and regularly updates information on the Company's website to satisfy various needs. SCA complies with applicable laws and regulations, updates relevant policy documents on a regular basis and conducts training to ensure that SCA's employees are kept abreast of relevant regulations. The Company works to ensure that co-owned operations and employees in these companies comply with similar requirements. SCA has a Supplier Standard to ensure that SCA's suppliers and contractors adhere to the requirements imposed by SCA. The Company has a procedure to ensure that new partners share SCA's values before initiating a business collaboration. Whenever necessary, on-site audits are carried out at the Company's suppliers and co-owned operations to monitor compliance with SCA's requirements. SCA has systems in place to handle sudden events, such as accidents and other crises, that risk damaging confidence in the Company.

Description of risk	Management and comments for the year
Risks linked to forest management and the forest holding	
SCA is Europe's largest private forest owner, with 2.7 million hectares of forest land, of which 2.1 million hectares is productive forest land. The holding is mostly in northern Sweden and in the Baltic region. There is a risk that the value of the forest holding decreases through infestation by pests, grazing moose, storms or fire. The value of the forest assets can also change, for example through variations in demand for wood raw material in SCA's region, which in turn would impact price levels in the region. Furthermore, SCA's forest management may conflict with the activities of reindeer herding Sami communities pertaining to land use. This is also the case when establishing wind power production on forest land. Legislation and certification requirements may also influence opportunities to conduct active and responsible forest management. Climate change can affect the conditions for forestry, see separate risk relating to Climate change. **Impact:** ○ ○ ● **Change:** ↑	SCA works proactively and together with research institutes to continuously improve forestry methods and seedlings to enhance forest growth and to reduce impact on the forest landscape, for example during harvesting and soil scarification. SCA works in various ways and engages in dialogue with stakeholders, contributing fact-based supporting data of the benefits created through responsible use of the forest and how forest operations impact the forest landscape, and enabling SCA to obtain the views of other stakeholders on the use of the forest. Active and responsible forest management combined with an industry that adds value to the forest raw material is essential to secure the value of the forest asset. SCA applies long-term harvesting calculations with a 100-year perspective to determine the sustainable harvesting potential, thus ensuring continued good access to raw materials. Since the late 1940s, the sustainable harvesting level has more than doubled at the same time as the standing volume has doubled. The risk of infestation by pests is managed through diligent soil scarification, special protection against pine weevils and procedures to minimize the risk of infestation by spruce bark beetles. The stock of grazing moose is managed through hunting on land where SCA issues hunting licenses. SCA's forest land is spread across large areas of northern Sweden, which means forest fires and storms usually only impact a limited part of the forest holding. The forest is therefore not insured. On the basis of experiences from previous years with an elevated risk of forest fires, SCA has drawn up procedures to minimize the risk of forest fires, particularly during longer periods of dry weather. SCA jointly plans with the relevant reindeer husbandry communities in connection with forestry operations and wind power projects on SCA's land. The participatory planning pertains, for example, to the adaptation of forest management activities, including the scheduling of harvesting operations, fertilization and soil scarification, and the choice of tree species when planting new sites or for replanting forests. For wind power projects, consultation may be carried out concerning the size of the wind farm and potential impact on stakeholders with the relevant Sami communities, local residents and landowners in the area.
Biodiversity	
SCA uses large quantities of forest raw material, which is partly from its own forest and partly from other landowners and forest companies. All forestry measures involve a risk of impacting biodiversity. Political decisions, legislation and certification requirements to protect biodiversity may impact the Company. Emissions from the Company's industries can affect the habitat of species in the local environment and are managed within the framework of given environmental permits. A warmer climate will probably affect biodiversity. **Impact:** ○ ● ○ **Change:** —	SCA's objective is to manage the Company's forests to make them at least as rich in biodiversity, nature experiences and raw material in the future as they are today. SCA is pursuing long-term and responsible forest management where nature conservation measures are applied in all forest operations, knows as basic retention. SCA strives to preserve and strengthen biodiversity in several ways. Ecological landscape planning applies to SCA's entire forest holdings and forms the foundation of our approach to nature conservation. SCA makes voluntary set-asides where the Company's forests with the highest conservation values are set aside from forest management or are subject to nature conservation management to enhance conservation values. Alternative forms of production are applied and targeted actions are taken to promote biodiversity. SCA takes a specific responsibility for species which are found in SCA's forests, are red-listed and that are at risk of being negatively affected by forest management, and works proactively to promote availability to habitats that favor these species. The Company cooperates with government authorities and organizations to jointly identify and undertake measures that promote biodiversity and recreation. In the Company's five conservation parks, alternative forms of management are tested and evaluated on large forest areas that SCA manages to promote biodiversity and highlight cultural heritage and recreational values. SCA conducts annual stakeholder dialogues concerning each park to develop the parks and the values found in each of them. SCA actively refrains from purchasing timber from controversial sources. The minimum requirement for purchased wood raw material is FSC's Controlled Wood. SCA's forest management is certified according to FSC and PEFC, and SCA's timber procurement according to FSC Chain of Custody and PEFC Chain of Custody. When purchasing felling rights from private land owners, SCA encourages increased nature consideration. Systemic risks such as ecosystem collapse or biodiversity loss are considered low for the region, Northern Sweden, on which the Company primarily depends for its supply of wood raw material.
Risks at production plants	
SCA has 14 production facilities, all of which are located in Sweden. SCA also owns facilities for distribution, such as port facilities, timber terminals and forest roads in Sweden. Poor health and safety practices at the production facilities may cause ill health or a workplace accident with substantial consequences for individual employees or contractors. Some of the facilities conduct continuous production. Fires, machinery breakdowns and other types of harmful incidents could lead to production disruptions and cause delivery problems. When major projects are undertaken, there is a risk of disruption in the existing operations. **Impact:** ○ ● ○ **Change:** —	SCA has a vision of zero workplace accidents and is actively and systematically running a health and safety program to minimize the risk of personal injury and ill health. SCA applies a preventive approach to ensure a high degree of availability in production facilities and to avoid unscheduled production stops. The Company is leveraging new digital technologies to further optimize operational reliability and plant utilization. The aim is to effectively and cost efficiently protect the employees, contractors, local residents, the environment, the Company's assets and the business, and to minimize SCA's risk management costs. Loss-prevention activities are conducted in accordance with established guidelines, which include management's safety walks, maintenance of plants, alcohol and drug tests, staff training and good orderliness. Continuous action is taken to reduce risks by using, for example, risk assessments and undertaking continuous improvements. All employees are also encouraged to report risk observations and near misses to support proactive measures and minimize the risk of accidents and ill health, and to raise health and safety awareness. All wholly owned plants are insured with market-leading insurance companies to replacement cost and for the loss of contribution margin. In order to minimize the impact of ongoing projects on operations, separate project organizations are created to conduct regular follow-ups that quickly identify any disruptions and shortcomings, and take corrective action.

Description of risk	Management and comments for the year
Impact of political processes	
SCA's operations are affected by political decisions and administrative rules, partly in Sweden where SCA has most of its operations, and partly at EU level. This impact could be from general regulations, such as rules covering taxation and financial reporting, but also by more specific regulations and practices as well as costs for additional control systems. These include political decisions pertaining to forest management, transportation and permit processes. Political decisions may restrict future harvesting levels. **Impact:** ○ ○ ● **Change:** —	SCA is working to monitor and evaluate changes in its surroundings, amended legislation and political decisions that lead to a change in circumstances for the Company. SCA is a member of national and international trade associations. A few key areas for SCA include the ownership and right to the use of forest land, European and global legislation in the field of energy and the environment, and attitudes toward solid biofuel. SCA monitors developments in prioritized areas, such as forest management, biodiversity, fossil-fuel use, ecolabels, issues relating to waste and emissions to water and air. It is important for SCA to monitor EU emission rights trading, regulations concerning waste and circular economy initiatives.
Customer dependency	
In 2025, SCA's ten largest customers accounted for about 30% of the Company's sales. The risk of too great a dependency on an individual customer is that lost sales from these customers could have a negative impact on SCA's earnings. **Impact:** ○ ● ○ **Change:** —	SCA works continuously to build relations with existing and new customers in order to reduce the consequences of lost sales from established customers. Generally, customers in the pulp and paper segments are major companies, such as tissue manufacturers and corrugated board manufacturers. For solid wood products, the main focus is on long-term partnerships, both globally with industrial customers and in Scandinavia with the building materials trade. Increased stability and profitability over time is achieved by working with the strongest operators in these areas in markets where the Company can ensure efficient logistical operations.
Suppliers	
SCA is dependent on a large number of suppliers. The loss of key suppliers could result in costs for SCA and disruption in the supply chain. Suppliers that fail to comply with SCA's Supplier Standard could also cause problems for SCA. Global or regional crises may have a negative impact on the supplier's capacity to meet its commitments and on the mobility of goods and services. **Impact:** ○ ● ○ **Change:** —	To reduce this risk, SCA has supply contracts with multiple suppliers. For wood raw material purchased externally, SCA has created a purchasing organization with about 80 timber purchasers, distributed between local offices across the region and through these has relationships with approximately 18,000 private forest owners. SCA also sells silvicultural services to these forest owners. About 175 contractors are responsible for most of the harvesting, about 100 for transportation of wood raw material to SCA's industries and around 100 for silviculture. For the most important input goods and services, there are a number of suppliers available in the market. This is also often the case for suppliers of maintenance services and building services. As SCA has access to several suppliers, it has reduced the risk of non-delivery resulting from delivery problems at an individual supplier. An SCA Supplier Standard has been established that addresses, for example, working conditions, health and safety, business conduct, human rights and environmental impact. SCA's suppliers must agree to follow the standard and may be required to undergo an audit. The audits are planned and carried out from a risk perspective to ensure that deliveries are from suppliers that fulfill SCA's requirements.
IT security and IT risks	
SCA relies on IT systems in its operating activities. Disruptions or faults in critical systems may have a direct impact on production and important business processes. Errors in the handling of financial systems can affect the Company's reporting. Unauthorized intrusion into SCA's systems may result in financial losses and other damage. These risks grow in an increasingly technically complex and interlinked world. **Impact:** ○ ● ○ **Change:** —	SCA has established a management model for IT that includes governance, standardized IT processes and an organization for IT security. The IT security work includes a continuous risk assessment, the introduction of preventive measures, use of security technology, procedures for business continuity management and internal audits. Standardized processes are in place for the implementation of new systems, changes to existing systems and daily operations. The majority of SCA's system landscape is based on well-established systems. The Company's approach has been adapted and changes in accordance with the General Data Protection Regulation (GDPR). Employee awareness of the risks is raised through courses in IT security and personal data processing.
Employee-related risks	
SCA needs access to the right skills and dedicated employees. The Company must have an ability to attract and retain talent and safeguard the availability of competent managers to achieve established strategic and operational objectives and develop employees. **Impact:** ○ ● ○ **Change:** —	SCA's objective is that workplaces are to be accident-free and healthy, and the Company has a proactive approach toward the health and well-being of employees. The Company carries out management training courses to develop and support managers in their leadership role. SCA follows an established process for succession planning to ensure the supply of leaders and specialists. SCA works with strategic skills supply to secure access to the right expertise in the short and long term. Employees are developed through traditional training, coaching and learning as a part of everyday work as well as annual performance reviews. The Company uses targeted initiatives to attract critical expertise and to strengthen the employer brand. The Company also offers local training initiatives to increase access to talent in areas where there is a skills shortage such as forest machine operators. Salaries and other conditions are to be adapted to the market and linked to SCA's business priorities. SCA strives to maintain good relationships with union organizations.
Product safety	
The Company's products must comply with applicable product safety and quality requirements to minimize risks arising from the use, handling and recycling of these. New legislation may impose new requirements on product safety. **Impact:** ● ○ ○ **Change:** —	SCA's products are made almost exclusively from renewable forest raw materials. Only a very small proportion comprises finite materials. In most cases, the Company's products are processed by its customers to form the products that end consumers use. SCA's units have procedures for monitoring quality and other requirements. The Company monitors proposed new legislation and the development of relevant standards in the field.

Financial risks

Description of risk	Management and comments for the year

Currency risk

SCA's focus on exports makes SCA's operations highly dependent on currency. About 81% of sales are conducted in currencies other than SEK. Most purchasing is conducted in SEK. Only a minor share of purchasing is carried out in other currencies. Fluctuations in currency rates have a substantial impact on SCA's revenue and thereby on its earnings.

Impact: ○ ○ ● **Change:** —

The table shows the net flows for the three largest currencies in 2025, and the total of other foreign currencies, measured as sales in each foreign currency less purchases in the same currency. In accordance with SCA's Financial Policy, this exposure is hedged as follows:

Balance sheet items in foreign currency are hedged, as is exposure in major approved and contracted investments in non-current assets.

According to the policy, transaction exposure regarding expected future net flows may also be hedged for up to 18 months. At December 31, 2025, the Company had hedged roughly the following shares of the expected net exposure from sales minus purchases as shown in the table below.

Translation exposure, meaning the risk to which SCA is exposed when translating foreign subsidiaries' balance sheets and income statements to SEK, is less important as the total assets in these companies only amount to approximately 3% of SCA's total assets. Translation exposure in the foreign subsidiaries is not currency-hedged.

Net flows	2025
EUR	EUR 365m
USD	USD 690m
GBP	GBP 101m
Others (translated to SEK)	SEK 470m
Total	**SEK 12,112m**

		Share of expected net exposure, %			
Currency	**Average rate**	**2026:1**	**2026:2**	**2026:3**	**2026:4**
EUR	11.06	80	65	40	10
USD	9.62	65	60	40	20

Credit risk

Credit risk refers to the risk of losses due to a failure to meet payment obligations by SCA's counterparties in financial agreements or by customers.

Impact: ○ ● ○ **Change:** —

Credit exposure in accounts receivable amounted to SEK 3,196m as per December 31, 2025. Credit risk in accounts receivable is managed through credit checks of customers using credit rating companies. Credit limits are set and regularly monitored. In certain cases, SCA signs credit insurance in order to reduce its credit risk. The trade receivables covered by the credit insurance amounted to 28% (36) of total trade receivables on December 31, 2025. Accounts receivable are recognized at the amount that is expected to be received based on an individual assessment of each customer.

The financial credit exposure, in which the counterparty is a financial actor or a pension fund manager, amounted to SEK 3,998m as per December 31, 2025. The objective is that financial counterparties must have a credit rating of at least A– from at least two credit rating institutes.

Liquidity and refinancing risk

Liquidity and refinancing risk is the risk that SCA is unable to meet its payment obligations as a result of insufficient liquidity or difficulty in raising new loans.

Impact: ● ○ ○ **Change:** —

As of December 31, 2025, SCA's gross debt amounted to SEK 14,937m and the average duration, including unutilized credit facilities, to 3.7 years (taking into account lease liability in accordance with IFRS 16). Unutilized credit facilities amounted to SEK 6,000m at the end of the year, and cash and cash equivalents to SEK 590m.

To ensure good access to loan financing at attractive terms, SCA has a clear objective to maintain an investment grade rating. During the year, the credit rating agency Standard and Poor's (S&P) repeated SCA's credit rating as "BBB" with a stable outlook.

SCA is to maintain financial flexibility in the form of a liquidity reserve consisting of cash and cash equivalents and unutilized credit facilities totaling at least 10% of the Group's annual sales. SCA limits its refinancing risk by having a good distribution in the maturity profile of its gross debt. The gross debt must have an average maturity in excess of three years, taking into account unutilized credit facilities.

Surplus liquidity should primarily be used to amortize external liabilities. As of December 31, 2025, SCA's financing mainly comprised one credit facility from a group of four banks with high credit ratings, bilateral loans from several banks and issued bonds.

Interest rate risk

Interest rate risk relates to the risk that movements in the interest rates could have a negative impact on SCA.

Impact: ○ ● ○ **Change:** —

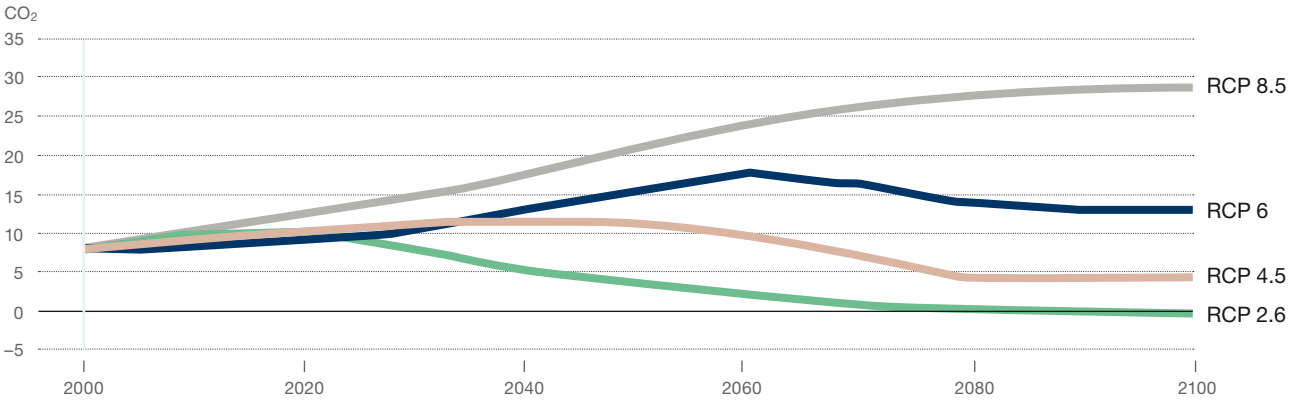
SCA's policy is that the average interest rate duration period shall be within the interval 3–36 months. SCA's average interest rate duration for the gross debt, including derivatives and excluding lease liability in accordance with IFRS 16, was about 12 months as of December 31, 2025. The risk is managed using fixed-interest loans and through interest rate derivatives. A sensitivity analysis is presented in Note E7.


SCA
SCA
SCA

Climate-related risks and opportunities

Climate change entails both risks and opportunities that SCA must understand and respond to. A scenario analysis with a perspective of 100 years was carried out that analyzed two scenarios: one where the world achieves the Paris Agreement and one with a higher temperature increase where society reacted more slowly. The analysis was conducted with both a global perspective and with a focus on northern Sweden. Risks for the Company have been assessed in the short, medium and long term on the basis of the analysis. SCA's business model and base in its own forests represent major opportunities to be an important player in the transition to a sustainable development of society. The scenario analysis was carried out in 2022 and has been reviewed annually as needed and updated based on new information.

Emissions billion tonnes of carbon dioxide



Source: van Vuuren, D.P., Edmonds, J., Kainuma, M. et al. The representative concentration pathways: an overview. Climatic Change 109, 5 (2011). https://doi.org/10.1007/s10584-011-0148-z

Scenario 1 – Low temperature[1)]

In line with the Paris Agreement, global warming ~1.5°C

Global warming is slowed and GHG emissions are negative by 2100. The global increase in the average temperature is limited to 1.5°C.

Society has undergone a high degree of transition while the physical impact arising from climate change was restricted. Technology development contributes to the transformation of society. Charges for emissions have accelerated the phasing out of fossil energy. Extreme weather conditions occur more frequently than today.

The global population decreases to about 7 billion, due primarily to an increase in education and lower birth rates. Changed consumption patterns have increased resource efficiency and reduced material needs.

Scenario 2 – High temperature[2)]

Slower transition, global warming ~3–5°C

Society has not taken adequate measures to reduce climate change and still has a great dependency on fossil energy. The global average temperature has continued to increase by about 3.5°C.

Fossil emissions have continued to increase until 2060 but decreased thereafter. The concentration of CO_2 in the atmosphere has increased by approximately 70%. Climate change makes more locations on earth difficult or impossible to inhabit. Increased inequality between and within countries, leads to more conflicts in the world. Extreme weather conditions occur frequently and result in various types of problems. Costly proactive measures are required to reduce the consequences.

The global population increases to about 9 billion, which leads to a greater need for resources and more land is used for food production.

Scenario analysis – Impact on SCA

Based on an estimate of changed conditions in northern Sweden and with a perspective of 100 years

The effects of a changed climate in northern Sweden, where SCA conducts most of its operating activities, are deemed similar for both scenario 1 and 2, but with more pronounced changes for scenario 2 (high temperature). For scenario 2, the effects are expected to be more severe and to occur earlier than for scenario 1. According to models from, for example, SMHI (Swedish Meteorological and Hydrological Institute), a global increase in average temperature will lead to an even greater temperature increase closer to the poles. This will entail an anticipated temperature increase of 1–3°C (scenario 1) and 4–7°C (scenario 2), respectively, in northern Sweden.

Access to water will be affected depending on geography and season. Spring is expected to be wetter in the inland, summer drier at the coast, autumn and winter wetter throughout northern Sweden.

The long-term impact of climate-related transition risks are difficult to foresee, which leads to great uncertainty when assessing risks and opportunities. Both legislation in Sweden and the EU will have an impact, as will technology development, access to and price of raw materials and energy, changed consumption patterns, access to and terms of financing as well as investor valuations and risk appetite.

[1)] Source: RCP 2.6, SSP1–2.6 and IEA NZE 2050.
[2)] Source: RPC6, SSP4–6.0 and when data is missing, then data from RCP 8.5 and RCP 4.5 was used to supplement the scenario.

Climate-related risks and opportunities based on the performed scenario analysis

With starting point in changed conditions in northern Sweden and a perspective of 100 years

Climate-related physical risks

Acute risks

- Different types of extreme weather conditions occur more frequently and may affect the value chain, including transportation to customers and raw materials to industry.
- Increased periodical rainfall, torrential rain, occur more frequently.
- Storms occur more often, but the average wind speed is not expected to increase.
- Larger outbreaks of insect and fungal damage in the forest holding.

Chronic risks

- Higher average annual precipitation while periods of drought increase, mainly in terms of the number of days per year.
- More days with low soil moisture. During these periods, access to water is reduced for the trees and fire risk is increased.
- Higher average temperature, fewer frost days and shorter winter season. Also contributes to extended growing seasons that lead to increased growth in the forest.
- Warmer and wetter winters with less ground frost increase the risk of windfalls and have a negative impact on logging conditions in the forest.
- Increased occurrence of insect and fungal damage in the forest holding.
- Changes in access to habitats may impact flora and fauna.

Climate-related transition risks

Regulatory risks (political decisions and legislation)

- Limitations on ownership rights and/or right to the use of forests.
- Differing opinions about how the forest can best be used may impact access to and the price of raw materials.
- Changes in fees and taxes, mainly on CO_2 and transportation.
- Terms, access and pricing for renewable energy and renewable fuel.
- Slow and difficult to predict permit processes.
- Lack of systemic perspective and risk of suboptimal outcomes.

Technological risks

- Development of new competing materials.
- Development of fossil-free production processes that lead to lower substitution needs.

Market risks

- Increased demand for sustainability at all stages of the life cycle.
- Changed consumer habits.

Reputational risks

- Perception of the definition of responsible forest management.

Risks for SCA in the short, medium and long term	Management of risks
Risks in the short term ≤1 year	
• Slow and difficult to predict permit processes. • Increased taxes and fees on fossil emissions. • Increased administration to report emissions. • Requirements to set aside land to promote biodiversity	• Discussions and collaboration forums with stakeholders. Advocacy activities through trade organizations, and other collaborations as well as through own initiatives. • High level of expertise in relevant areas within the Company, and through participation in research projects and collaborations with customers and other parties. • Continued development of forest management through own experience and by following and participating in research work.
Risks in the medium term 1–5 years	
• More days with low soil moisture that reduce access to water for the trees and increase the risk of forest fires. • More frequent torrential rain and a shorter winter season that may create more challenging logging conditions in forest operations. • Increased magnitude of infestation by pests and fungi. • Potential limitations to the right to the use of forest land and requirements to set aside land to protect nature. • Legislation and classification of bioenergy. • Requirements to minimize emissions throughout the value chain, even outside the Company's own operations and increased costs for fossil emissions. • Costs to combat and minimize the effects of extreme weather conditions, such as flooding, droughts and storms. • Access to and pricing for renewable and dispatchable energy.	• Good fire-fighting capabilities and developed procedures to monitor the risk of forest fire. Adapted forestry procedures. • Procedures for soil scarification and the development of seedling material when planting new forests. • Increased knowledge about pests (insects and fungi) and how forestry can be adapted to minimize damage. • Cultivating seedling material. • Increased and refined monitoring of the forest holding for early detection of infestation.
Risks in the long term 5–100 years	
• Taxes and fees on emissions. • Costs to combat, minimize and manage the effects of extreme weather conditions, where the magnitude depends on the development of climate change. • Technology development that affects material efficiency, material use and production costs. • Changed requirements on material properties and recycling. • Access to and costs for raw materials and energy. • Changed consumer demands and consumption patterns. • Access to and terms of financing.	• Technology and product development through own initiatives and together with partners. • Landscape planning, site adaptation and choice of seedling material for replanting to improve the robustness of the forest holding. • Development of technology and working practices to address wetter conditions during harvesting and other forestry measures.

Opportunities for SCA

The transition of society to combat climate change also entails many opportunities for SCA, with its base in renewable raw materials from responsibly managed forests. The Company has effective control of the value chain, a high degree of self-sufficiency in critical raw materials and a potential in renewable energy.

- Greater demand for renewable materials and renewable energy increases demand for the Company's products.
- The development of new products based on forest raw materials or side streams can offer new revenue streams.
- A warmer climate and extended growing seasons will increase growth in the forests. Increased growth will boost the uptake of CO_2 in the Company's forests and access to raw materials, which both help to mitigate climate change and to phase out fossil material.
- Increasing demand on sustainability and climate have contributed, and are expected to continue to contribute, to favorable opportunities for securing financing.

Potential financial impact

- The market price for the Company's products follows changes in demand in the market.
- Revenue from new products and services.
- Higher/lower growth in the forest and higher/lower volumes of harvested forest on own land.
- Costs to adapt the Company to any changes to laws and fees.
- Costs to manage the effects of extreme weather conditions, including proactive measures.
- Access to and terms of financing as sustainability demands increase.
- Valuation of the Company's assets. Currently, the risk of stranded assets is considered low.

The financial impact is described in the financial statements, see Note A1 Climate-related risks and opportunities.

Task Force on Climate-related Financial Disclosures (TCFD)

Climate-related risks and opportunities are an integrated part of the Company's work. SCA presents information about how these may impact the Company in accordance with TCFD recommendations. References are provided below to the relevant pages for more detailed information.

Governance

Climate-related risks and opportunities are included in the Group's work with risk management and business development. The Board of Directors approves all policies. Sustainability matters and risks are regularly addressed at meetings of the Board and Audit Committee. The Executive Management approves Group targets and reviews and updates the risk scenario every year. Risk management may be followed-up by internal audit and internal control tools.

Read more on pages: 99–101.

Strategy

Climate-related risks and opportunities have been identified and integrated into SCA's strategy for profitable growth. SCA has, through its large forest assets and renewable products, a strong potential to play a significant role in the transition to a decarbonized society both with existing and new products and services. In parallel, the Company is striving to reduce the impact of climate change on its own operations, mainly by adapting and developing forest management, and mitigating its impact by reducing emissions.

Read more on pages: 4–5, 12–21 and 103–105.

Risk management

Climate-related risks and opportunities are part of the Company's risk management process. Risks and opportunities are also managed on a continuous basis in the line organization and in cross-functional, Group-wide networks. When a risk scenario changes during the year, a review is conducted of risk management in the relevant areas to modify the Company's actions if required.

Read more on pages: 75–83, 121–122.

Metrics and targets

SCA's Group targets include a number of supporting targets related to climate impact. In addition, local targets exist in each business area. The Company calculates its climate benefit contribution on an annual basis based on the components of the global standard ISO 13391, which includes the potential for avoided emissions through the Company's products and fossil emissions in the value chain.

Read more on pages: 123–127.

Corporate governance

Corporate governance aims to ensure SCA's commitments to all of its stakeholders. In addition, corporate governance supports the Company's long-term strategy, market presence and competitiveness.

Corporate governance, including remuneration, pages 84–95
This section describes the rules and regulations and the Group's corporate governance, including a description of the operational organization. It also details the Board of Directors' responsibilities and its work during the year as well as SCA's internal control. Moreover, it provides an overview of remuneration and remuneration issues, see also SCA's remuneration report on sca.com. SCA applies the Swedish Corporate Governance Code without any deviations (www.bolagsstyrning.se). Corporate governance shall be reliable, clear, straightforward and business-oriented. This Corporate Governance Report forms part of the Board of Directors' Report for SCA's 2025 Annual Report in accordance with Chapter 6, Section 6 of the Swedish Annual Accounts Act (1995:1554). The report has been reviewed by the Company's auditor.

Risks and risk management, pages 75–83
The processes to identify and manage risks in SCA are part of the Group's strategy work and are pursued at a local and Group-wide level. The risk management section describes the most material risks as well as the governing documents and measures that the Group applies to manage these.

Sustainability, pages 96–163
SCA's sustainability work is an integral part of the Company's business model and operations. Work to improve the Company's sustainability performance strengthens competitiveness, reduces risks and costs and attracts talent and investors. The Board and the President bear the overall responsibility for the running of SCA's business in the field of sustainability. SCA's sustainability agenda is headed by the Group's Sustainability Council, which includes members of the Executive Management and the Group's Vice President Sustainability. The Sustainability Council is led by the Group's Senior Vice President Sustainability and Communications. In addition, a number of cross-functional networks manage and coordinate issues such as health, safety and environment.

Governance at SCA

Shareholder meeting/Annual General Meeting
The shareholders' meeting is SCA's highest decision-making body, where all shareholders are entitled to attend, to have a matter considered and to vote in respect of all shares held by the shareholder. According to its Articles of Association, SCA has two listed classes of shares: Class A and Class B shares. Every Class A share represents ten votes and every Class B share represents one vote. The Annual General Meeting (AGM) is the annual shareholders' meeting at which the annual report is presented. The AGM appoints the Company's Board of Directors and auditor, which are proposed by a Nomination Committee specifically elected by the AGM. The AGM also resolves on dividends, adoption of the annual accounts, fees to be paid to the Company's Board and auditor, where applicable on guidelines for remuneration of senior executives, and other important matters.

Nomination Committee
The Nomination Committee represents the Company's shareholders and is charged with the task of preparing proposals for adoption at the AGM with respect to election and remuneration matters and, in certain cases, proposing procedural motions for the next Nomination Committee.

Board of Directors
The Board of Directors has overall responsibility for the Company's organization and administration through regular monitoring of the business and by ensuring the appropriateness of the organization and management team, and also compliance with guidelines and internal control. The Board approves strategies and targets, and decides on major investments, acquisitions and divestments of operations, among other matters.

The 2025 AGM resolved that the Board of Directors shall comprise nine members elected by the AGM with no deputies. In addition, the Board shall include three employee representatives and three deputies.

SCA's Articles of Association contain no provisions regarding appointment or dismissal of Board members or amendments to the Articles.

Chairman of the Board
The Chairman of the Board leads the work of the Board and is responsible for ensuring that it is effectively organized and that work is efficiently conducted. This includes continuously monitoring the Company's operations in close dialogue with the President and ensuring that other Board members receive information that will enable high-quality discussion and decisions by the Board. The Chairman leads the assessment of the Board's and the President's work. The Chairman also represents the Company in ownership matters.

Audit Committee
The Company's Board has, within itself, established an Audit Committee. The tasks of the Audit Committee include monitoring financial reporting and sustainability reporting and the efficiency of the Company's internal control, internal audit and risk management, and submitting recommendations and proposals to ensure the reliability of reporting. The Committee keeps itself informed on the audit, reviews and monitors the impartiality and independence of the auditor and submits recommendations to the Nomination Committee as a basis for the appointment of auditor and the determination of remuneration, and information to the Board concerning the results of the audit in order to fulfill all requirements of the EU Audit Regulation and Directive. The Audit Committee sets guidelines for the procurement of services other than auditing services from the Company's auditors. Lastly, the Audit Committee evaluates the audit quality and informs the Nomination Committee of the results of the evaluation.

Remuneration Committee
The Company's Board has also, within itself, established a Remuneration Committee. The Remuneration Committee prepares the Board's motions on issues relating to remuneration principles and remuneration and other terms and conditions of employment for the President and CEO, and is authorized to make decisions in these matters for the Company's other senior executives. The Committee monitors and assesses programs for variable remuneration, the application of the AGM's resolution on guidelines for remuneration of senior executives and the applicable remuneration structure and remuneration levels in the Group. The Remuneration Committee also prepares the Board's remuneration report.

Internal audit
At SCA, it is the employees' responsibility to ensure sound governance and internal control in the operations or processes for which the employee is responsible. Internal audit is a separate function with the task of evaluating and improving the efficiency of SCA's internal control, governance, and risk management. The function reports to the Audit Committee and the Board in relation to internal audit matters. The function examines, for example, SCA's internal processes for sales, purchases, financial reporting, assets, compensation and benefits, HR matters, information security and IT systems, various projects, and compliance with SCA's policies, including follow-up of the Code of Conduct and general instructions.

President and CEO and Executive Management
SCA's President and CEO is responsible for and manages the day-to-day administration of the Group and follows the Board's guidelines and instructions. The President and CEO is supported by the Executive Management Team, the work of which is led by the President and CEO. The Executive Management Team comprises the President and CEO, the CFO, the Presidents of the Business Areas Forest, Containerboard, Pulp, Wood and Renewable Energy and the President for the support unit Sourcing & Logistics. Further, the Senior Vice Presidents of the Group functions Human Resources, Sustainability and Communications, Legal Affairs, and Strategic Development are also members of the team. The working procedures for the Board of Directors and terms of reference issued by the Board of Directors to the President and CEO detail, for example, the division of work between the Board and President. In consultation with the Chairman of the Board, the CEO prepares documentation and background information for the Board's work.

SCA adheres to the principle of distinct decentralization of responsibility and authority. The business areas are fully responsible for developing their respective operations through established objectives and strategies, a process that is also centrally coordinated. Each business area is responsible for its operating result, capital and cash flow. The position of the business and results are followed up by the entire Executive Management Team on a monthly basis. Each quarter, business review meetings are conducted during which the management of each business area personally meet with the CEO and CFO, as well as others. These meetings function as a complement to the daily monitoring of operations.

External auditors
The Company's auditor, elected at the Annual General Meeting, examines SCA's accounting, the Group's Annual Report and Sustainability Report, the Board's and President and CEO's administration and the annual reports of subsidiaries, and submits an audit report and a limited assurance report.

The audit is performed in accordance with the Swedish Companies Act, the Swedish Annual Accounts Act, International Standards on Auditing (ISA) and generally accepted auditing principles in Sweden, which also includes a review of compliance with the Swedish Companies Act and the Swedish Annual Accounts Act.

Internal rules and regulations include:

- Articles of Association.
- Working procedures of the Board of Directors.
- Terms of reference issued by the Board to the President and CEO.
- Code of Conduct.
- Other policy documents established by the Board and instructions established by the President and CEO.

External rules and regulations include:

- The Swedish Companies Act.
- The Swedish Annual Accounts Act.
- IFRS® Accounting Standards.
- Corporate Sustainability Reporting Directive (CSRD).
- Nordic Main Market Rulebook for Issuers of Shares.
- Swedish Corporate Governance Code.
- Relevant EU regulations.

Compliance with stock market regulations

In 2025, SCA was not sanctioned by the Swedish Financial Supervisory Authority, the stock exchange's disciplinary board or any other authority or self-regulating body for violations of the rules concerning the stock market.

Read more about SCA's Corporate Governance on sca.com. This includes:

- SCA's Articles of Association.
- Link to the Swedish Corporate Governance Code.
- Information from previous Annual General Meetings since 2015 (notices, minutes, President and CEO's speeches) and press releases since 2012.
- Information from the Nomination Committee since 2007 (composition, proposals and work done).
- Information ahead of the 2026 Annual General Meeting (notice, Nomination Committee proposals including the Audit Committee's recommendation, information on routines for notifying attendance at the Meeting, etc.).
- Earlier Corporate Governance Reports, since 2007.

Activities during the year

Annual General Meeting
The AGM was held on Friday, April 4, 2025 in Sundsvall, Sweden. The shareholders could also exercise their voting rights by postal voting prior to the Meeting. A total of 1,282 shareholders were represented at the Meeting and these accounted for approximately 74% of the votes in the Company. Eva Hägg, Attorney-at-Law, was elected Chairman of the Meeting.

The Meeting resolved that a dividend of SEK 3.00 per share be paid for the 2024 fiscal year. The AGM also decided on the re-election of Board members Åsa Bergman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson, Martin Lindqvist, Helena Stjernholm, Anders Sundström and Barbara Milian Thoralfsson. Helena Stjernholm was re-elected as Chairman of the Board. Ernst & Young was re-elected as auditor for the period until the 2026 AGM. The Meeting resolved on the approval of the remuneration report for 2024.

The minutes of the Meeting in full and information on the 2025 AGM are available on sca.com.

Nomination Committee
The 2017 AGM decided that the following procedure for appointing the Nomination Committee is to apply until further notice. The Nomination Committee is to comprise representatives from the four largest shareholders in terms of voting rights as per the shareholders' register maintained by the Company on the final banking day of August, as well as the Chairman of the Board. The Chairman of the Board is to convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of votes is to be appointed as Chairman of the Nomination Committee. If necessary, due to subsequent ownership changes, the Nomination Committee is entitled to call on one or two additional members from among the next largest shareholders in terms of voting rights, so that the total number of members amounts to not more than seven. In the event that a member steps down from the Nomination Committee before the task is completed and the Nomination Committee decides it would be beneficial for a replacement to be appointed, such a replacement is to be appointed by the same shareholder or, if this shareholder is no longer among the largest shareholders in terms of voting rights, by the largest unrepresented shareholder in terms of voting rights. Changes to the composition of the Nomination Committee are to be disclosed immediately. The composition of the Nomination Committee is to be disclosed not later than six months prior to the AGM. No remuneration is to be paid to the members of the Nomination Committee. Any expenses incurred during the work of the Nomination Committee are to be paid by the Company. The mandate period of the Nomination Committee extends until the composition of the next Nomination Committee is disclosed. The Nomination Committee is to submit proposals relating to the Chairman of the General Meeting, the Board of Directors, the Chairman of the Board, Board fees for the Chairman of the Board and each of the other Board members, including remuneration for committee work, the Company's auditors and auditors' fees, as well as proposals for changes to the procedure for appointing the Nomination Committee, to the extent deemed necessary.

In its work, the Nomination Committee has considered the rules that apply to the independence of Board members, as well as the requirement of diversity and breadth with the endeavor to achieve an even gender distribution and that the selection for those nominated shall be based on expertise and experience relevant to SCA.

When preparing its proposal for the election of auditors and remuneration, the Nomination Committee has also considered the Audit Committee's recommendation.

Composition of the Nomination Committee for the 2026 AGM
The composition of the Nomination Committee for the 2026 AGM is as follows:

- Bengt Kjell, AB Industrivärden, Chairman of the Nomination Committee.
- Nikolai Schjold, Norges Bank Investment Management.
- Dick Bergqvist, AMF Tjänstepension & AMF Fonder.
- Mikael Hallåker, Handelsbanken Pension Foundation, among others.
- Helena Stjernholm, Chairman of the Board, SCA.

Shareholders have had the opportunity to submit proposals to the Nomination Committee. The Nomination Committee's proposal for the 2026 AGM is presented in the notice convening the AGM on SCA's website sca.com. The 2026 AGM will be held on March 27.

Since its appointment, the Nomination Committee was convened three times in 2025. The Chairman of the Board has presented the Board evaluation and provided the Nomination Committee with information regarding Board and committee work during the year.

Diversity policy
When preparing proposals for the Board for the 2025 AGM, the Nomination Committee has applied Item 4.1 of the Swedish Corporate Governance Code as its diversity policy. The policy aims to ensure that the Board has – with regards to the Company's operations, stage of development and circumstances in general – an appropriate composition characterized by diversity and breadth as regards the AGM-elected members' expertise, experience and background, with the endeavor to achieve an even gender ratio. The 2025 AGM resolved in accordance with the Nomination Committee's proposal, which meant nine members were elected, of whom five were women and four men. There was no change in the gender balance of the Board in 2025. When preparing proposals for the Board for the 2026 AGM, the Nomination Committee has worked with and applied the diversity policy in a corresponding manner, which resulted in the proposal for the Board described in the notice convening the AGM.

The Nomination Committee's proposal entails the appointment of nine Board members, of whom five are women and four men.

Board of Directors

Nine Board members were appointed at the 2025 AGM. In addition to these members, there are three employee representatives and their three deputies.

The SCA Board of Directors comprises the AGM-elected members Helena Stjernholm (Chairman), Åsa Bergman, Lennart Evrell, Annemarie Gardshol, Carina Håkansson, Ulf Larsson (President and CEO), Martin Lindqvist, Anders Sundström and Barbara Milian Thoralfsson.

The independence of Board members is presented in the table below. SCA complies with the requirements of the Swedish Corporate Governance Code that stipulate that not more than one member elected by the AGM shall be a member of company management, that the majority of the members elected by the AGM shall be independent of the company and company management, and that not fewer than two of these shall also be independent of the company's major shareholders. All of the AGM-elected Board members have experience of the requirements incumbent upon a listed company.

The following three employee representatives were appointed to the Board for the period until the 2026 AGM: Niclas Andersson, Roger Boström and Maria Jonsson and their deputies Stefan Lundkvist, Malin Marklund and Peter Olsson. Further information concerning the Board members can be found on pages 92–93.

Board activities

In 2025, the Board was convened nine times. The Board has established working procedures. The working procedures describe in detail which ordinary agenda items are to be addressed at the various Board meetings of the year. Recurring agenda items are finances, the market situation, investments, adoption of the financial statements and sustainability. The Board also establishes and evaluates the Company's overall objectives and strategy and decides on significant internal rules. Another task is to continuously monitor the internal control and compliance of the Company and its employees with internal and external rules, and that the Company has well-functioning procedures for market disclosures. On a regular basis throughout the year, the Board also deals with reports from the Audit and Remuneration Committees and reports on internal control and financial operations. The Company's auditor regularly presents a report on the audit work and these issues are discussed by the Board.

In 2025, the Board conducted standard duties, addressing strategy among other issues.

Evaluation of the Board's work

The work of the Board, as that of the Chairman and the President, is evaluated annually using a systematic and structured process. The purpose is to obtain a sound basis for the Board's own development work and to provide the Nomination Committee with relevant analysis for its nomination work. In 2025, the evaluation took the form of a questionnaire as well as group and individual discussions between the Chairman of the Board and the members. The evaluation covers such areas as the Board's methods of work, effectiveness, expertise and the year's work. The Board was provided with feedback after the results were compiled. The Nomination Committee was also informed of the results of the evaluation.

Audit Committee

The Audit Committee comprises Barbara Milian Thoralfsson (Chairman), Helena Stjernholm and Martin Lindqvist. The Audit Committee held eight meetings in 2025. In its monitoring of the financial reporting, the Committee dealt with relevant accounting issues, internal audit reviews, audit work, review of internal control procedures and the measurement of the Group's forest assets. The Audit Committee also monitors sustainability reporting, which in 2025 was adapted to align with new regulations contained in the Annual Accounts Act and the European Sustainability Reporting Standards, ESRS. In 2025, SCA conducted a procurement process under the EU Audit Regulation. Based on this procurement process, the Audit Committee has prepared a recommendation to be used by the Nomination Committee when deciding on its proposal to the AGM regarding the election of auditors and remuneration.

Remuneration Committee

The Remuneration Committee comprises Helena Stjernholm, Chairman, Lennart Evrell and Anders Sundström. The Remuneration Committee held four meetings in 2025. Activities in 2025 mainly concerned remuneration and other employment terms and conditions for senior executives, and current remuneration structures and remuneration levels in the Group.

	Number of meetings in 2025
The Board of Directors	9
Audit Committee	8
Remuneration Committee	4

Board of Directors and committees

Names	Elected	Dependence	The Board of Directors	Attendance	Audit Committee	Attendance	Remuneration Committee	Attendance
Helena Stjernholm	2024	●	Chairman	9	Member	8	Chairman	4
Åsa Bergman	2022		Board member	9				
Lennart Evrell	2017		Board member	9			Member	4
Annemarie Gardshol	2015		Board member	8				
Carina Håkansson	2021		Board member	9				
Ulf Larsson	2017	●	Board member	9				
Martin Lindqvist	2017		Board member	8	Member	7		
Anders Sundström	2018		Board member	9			Member	4
Barbara Milian Thoralfsson	2006		Board member	9	Chairman	8		

● Dependent in relation to the Company's major shareholder – AB Industrivärden.
● President and CEO of SCA – Dependent in relation to the Company and corporate management.

Internal audit
The basis for the internal audit work is a risk-based annual plan. The plan derives from a risk assessment process based on, among other, input from operations, management and the Board. The annual plan is approved by the Audit Committee. In 2025, 13 internal audit assignments were performed. Observations from the assignments are reported to the Audit Committee.

During 2025, activities included follow-up of the organization's work concerning the effectiveness of internal controls and compliance with policies, mainly relating to SCA's governing documents, including the Code of Conduct.

External auditors
The 2025 Annual General Meeting appointed accounting firm Ernst & Young AB as the Company's auditor for a mandate period of one year. The accounting firm notified the Company that Fredrik Norrman, Authorized Public Accountant, would be the auditor in charge. The auditor owns no shares in SCA.

In accordance with its working procedures, the Board met with the auditor at five scheduled Board meetings in 2025. The auditor also attended each meeting of the Audit Committee. At these meetings, the auditor presented and received opinions on the focus and scope of the planned audit and delivered verbal audit and review reports. Further, at the Board's third scheduled autumn meeting, the auditor delivered a preliminary report on the audit for the year. The working procedures specify a number of mandatory issues that must be covered. These include matters of importance that have been a cause for remark or discussion during the audit, business routines and transactions where differences of opinion may exist regarding the choice of accounting procedures. The auditor shall also provide an account of consultancy work assigned to the audit firm by SCA and the audit firm's independence in relation to the Company and its management. On each occasion, Board members have had an opportunity to ask the auditor questions. Certain parts of the detailed discussion on the accounts take place without representatives of company management being present.

The largest shareholders
As of December 31, 2025, AB Industrivärden was the Company's largest shareholder, with a holding totaling 31,500,000 Class A shares and 54,500,000 Class B shares, corresponding to 12.24% of the total number of shares and 29.35% of the total number of votes in the Company. No other shareholder in the Company has a direct or indirect shareholding whose voting rights represent one-tenth or more of the total number of votes in the Company.

Remuneration, Executive Management Team and Board of Directors

Guidelines
The 2022 Annual General Meeting adopted guidelines for remuneration of senior executives. The total remuneration package comprises a fixed salary, variable salary, other benefits, and a pension. See Note C3.

Remuneration of the President and CEO and other senior executives
Remuneration of the President and CEO and other senior executives is presented in Note C3.

Variable remuneration and strategic targets
Programs for variable remuneration are designed to support the Group's strategic targets. The short-term program is individually adapted and based mainly on profit, cash flow and capital efficiency as well as health and safety. The long-term programs are based on the SCA share's total shareholder return during the performance period in relation to a peer group of other companies and in relation to OMXS30GI, as well as a sustainability target related to increased climate benefit, million tonnes of CO_2eq, during the performance period.

Remuneration of the Board
The total remuneration of the AGM-elected Board members is presented in Note C4.

Remuneration report
The Board has presented a separate remuneration report, which is available on sca.com.

Organization and operations

Organization and reported segments
SCA is organized into five business areas and one supporting unit.

Business areas

- The Forest business area includes the supply of raw material to SCA's industries as well as management and harvesting on SCA-owned forest land, which comprises 2.7 million hectares in northern Sweden and the Baltic region. The business area also includes sourcing timber from other forest owners and transporting the timber to SCA's industries.
- The Wood business area is responsible for the solid wood business, which comprises five sawmills in northern Sweden and wood processing and distribution to the building materials trade in Sweden and France.
- The Pulp business area encompasses the production and sale of bleached softwood kraft pulp (NBSK) and chemi-thermo-mechanical pulp (CTMP), which are produced at the Östrand pulp mill and Ortviken site. The Östrand pulp mill is also a net producer of green energy and biochemicals.
- The Containerboard business area manufactures and sells packaging paper (kraftliner), with production at the integrated paper mills in Obbola and Munksund.
- The Renewable Energy business area encompasses production and sales of processed and unprocessed solid biofuels as well as liquid biofuels. The segment also includes development and revenue linked to the wind power operations and sales of tall oil from industrial operations for fuel production.

The supporting unit Sourcing & Logistics includes SCA's common sourcing functions. The unit is also responsible for SCA's logistics system for deliveries to customers using specially adapted vessels and terminals both in Sweden and in key foreign markets.

Group functions
SCA has five Group functions: Sustainability and Communications, Human Resources, Finance, Legal Affairs and Strategic Development.

Segments
SCA's financial reporting is conducted in five segments, which correspond to the business areas.

The Wood, Pulp and Containerboard segments include an allocation of the results of the support unit Sourcing & Logistics, equivalent to the resources of the support unit used by each segment. The Forest and Renewable Energy segments do not use the support unit's logistics services.

Organization

Internal control, financial reporting and sustainability reporting

The Board's responsibility for internal governance and control is regulated in the Swedish Companies Act, the Annual Accounts Act and the Swedish Corporate Governance Code. The Annual Accounts Act requires that the Company, each year, describes its system for internal control and risk management with respect to financial reporting. The Board bears the overall responsibility for financial reporting and sustainability reporting. Its working procedures regulate the internal division of work between the Board and its committees.

The Audit Committee has an important task of preparing the Board's work to assure the quality of financial reporting and sustainability reporting. This preparation work includes issues relating to internal control and regulation compliance, control of recognized values, estimations, assessments and other activities that may impact the quality of the financial statements. The Committee has charged the Company's auditor with the task of specifically examining the degree of compliance in the Company with the rules for internal control, both general and detailed.

Financial reporting to the Board
The Board's formal work plan stipulates which reports and information of a financial nature shall be submitted to the Board at each scheduled meeting. The President and CEO ensures that the Board receives the reports required to enable the Board to continuously assess the Company's and Group's financial position. Detailed instructions specifically outline the types of reports that the Board is to receive at each meeting.

External financial reporting
The quality of external financial reporting is ensured via a number of actions and procedures. The President and CEO is responsible for ensuring that all information issued, such as press releases with financial content, presentation material for meetings with the media, owners and financial institutions, is correct and of a high quality. The responsibilities of the Company's auditors include reviewing accounting issues that are critical for the financial reporting and reporting their observations to the Audit Committee and the Board of Directors. In addition to the audit of the annual accounts, a limited assurance of the six-month report and of the Company's administration and internal control is carried out.

Sustainability reporting
The Board's formal work plan stipulates which reports and information related to sustainability performance and reporting are to be presented to the Board and its Audit Committee at each scheduled meeting. The President and CEO ensures that the Board receives the reports required to enable the Board to continuously assess the Company's and Group's impacts on sustainability matters and how sustainability matters impact the Company's development, position and results of operations. The quality of sustainability reporting is ensured via a number of actions and procedures. The responsibilities of the Company's auditors include reviewing the annual Sustainability Report. Evaluating and managing sustainability risks is an integral part of the Company's risk process. Further information can be found in SCA's Sustainability Report.

Risk management
With regard to financial reporting, the risk that material errors may be made when reporting the Company's financial position and results is considered the primary risk. To minimize this risk, governing documents have been established pertaining to accounting, procedures for annual accounts and follow-up of reported annual accounts. There is also a common system for reporting annual accounts. SCA's Board of Directors and management assess the financial reporting from a risk perspective on an ongoing basis. To provide support for this assessment, the Company's income statement and balance sheet items are compared with earlier reports, budgets and other forecasts.

Control activities and follow-up
Significant instructions and guidelines related to financial reporting are prepared and updated regularly by the Group Finance Function and are accessible on the Group's intranet. The Group Finance Function is responsible for monitoring compliance with instructions and guidelines. Process owners at various levels within SCA are responsible for carrying out the necessary control measures with respect to financial reporting. An important role is played by the Group's shared service center, business areas and support units' finance and controller organizations, which are responsible for ensuring that financial reporting from each unit is correct, complete and delivered in a timely manner. The Company's control activities are supported by the budgets prepared by each unit and updated during the year through regular forecasts.

SCA has a standardized system of control measures involving processes that are significant to the Company's financial reporting, among other matters. Control of these processes is assessed and updated through self-assessments by each unit followed up by a review by the internal control function. In some cases, these control measures are validated by internal audit and external parties.

Financial results are reported and examined regularly within the management teams of the operating units and communicated to SCA's management at monthly and quarterly meetings. Before reports are issued, results are analyzed to identify and eliminate any mistakes in the process until closing.

The Board follows up on the effectiveness of the internal control system, functioning of the reporting to the Board through continues reporting from the President and CEO, the CFO, and also on the internal audit work in accordance with the annual audit plan. Internal audit also continuously reports its observations in this respect to the Audit Committee. Internal audit's tasks include following up compliance with the Company's policies. The results of the follow-up work are also reported to the Board through the Audit Committee.

Internal control of other processes
The basis for the internal control is identifying and assessing risks. A review of identified risks is conducted every year with the addition of any new identified risks. At the same time, an evaluation is carried out of the potential impact of the risks on profits and the brand, and the probability that the risk will occur.

Risks that can negatively impact business objectives are linked to the Company's processes. For each process and identified risks, the control activities are defined that are required to counteract or manage risks, and a description of how self-assessments are used to monitor the effectiveness of the control activities.

Control activities to address the identified risks are documented, and the effectiveness of each control is tested on an annual basis through self-assessments. The Group's internal control function summarizes the result of the self-assessments and reports to management and the Board.

Activities in 2025
In 2025, based on the annual review, internal control continued to evolve and adapt to identified risks and risk assessments. During the year, SCA's units conducted internal control in accordance with the Company's framework. The results of the self-assessment have been reported to the Board.

Board of Directors and Auditors

Helena Stjernholm (1970)
MSc BA.

Chairman of the Board since 2024. President and CEO of AB Industrivärden since 2015. Member of the Board of AB Industrivärden, AB Volvo, Sandvik AB and the Confederation of Swedish Enterprise. Former Member of the Board of Telefonaktiebolaget LM Ericsson, partner and investment manager at IK Partners and management consultant at Bain & Company.

Elected: 2024
Class B shares: 12,000

Independent of the Company and corporate management.

Åsa Bergman (1967)
MSc Eng.

President and CEO of Sweco AB. Board member of Securitas AB. Previously Board member of Swegon AB and AB Persson Invest and senior positions in the Sweco Group.

Elected: 2022
Class B shares: 6,261

Independent of the Company, corporate management and SCA's major shareholders.

Lennart Evrell (1954)
MSc Eng. and Econ.

Chairman of the Board of SSAB. Previously Board member of ICA, Epiroc, the Confederation of Swedish Enterprise and Industriarbetsgivarna, as well as former President and CEO of Boliden, Sapa and Munters.

Elected: 2017
Class B shares: 4,000

Independent of the Company, corporate management and SCA's major shareholders.

Annemarie Gardshol (1967)
MSc Eng.

President and CEO of PostNord Group AB. Board member of Essity AB. Former President of PostNord Sverige AB and PostNord Strålfors Group AB, in addition to various management positions at PostNord and Gambro AB as well as management consultant at McKinsey & Company.

Elected: 2015
Class B shares: 6,200

Independent of the Company, corporate management and SCA's major shareholders.

Carina Håkansson (1961)
BSc Forestry

Board member of Vasaloppet, Siljansvik AB, Inlandsbanan and Chairman of the Royal Swedish Academy of Engineering Sciences (IVA) Division VIII. Former President of the trade association Swedish Forest Industries Federation between 2013–2020, President of DalaKraft between 2009–2013 and President of Stora Enso Skog between 2004–2009.

Elected: 2021
Class B shares: 9,100

Independent of the Company, corporate management and SCA's major shareholders.

Ulf Larsson (1962)
BSc Forestry

President and CEO of SCA. Member of the Board of Alleima, the Swedish Forest Industries Federation and CEPI. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Agriculture and Forestry, and Norwegian Consul General. Former President of SCA Forest Products AB, 2008–2017, as well as Executive Vice President of SCA 2016–2017.

Elected: 2017
Employed since: 1992
Class A shares: 26,000
Class B shares: 106,000

Independent of SCA's major shareholders.

Martin Lindqvist (1962)
Engineer and Master of Business Administration

Chairman of the Board of Swiss Steel. Member of the Board of Skanska and Indutrade. Former President and CEO of SSAB and senior positions at NCC, among other companies.

Elected: 2017
Class B shares: 4,000

Independent of the Company, corporate management and SCA's major shareholders.

Anders Sundström (1952)
Academic studies in economy and politics

Chairman of the Board of SkiStar AB, Kaunis Holding AB, Ekhaga Utveckling AB and Nordion Energi AB. Previously Chairman of the Board at Swedbank and CF. Many years of operating experience within both the industry and the financial sector, including as CEO for Folksam. Has held several ministerial posts and other political assignments.

Elected: 2018
Class B shares: 16,000

Independent of the Company, corporate management and SCA's major shareholders.

Barbara Milian Thoralfsson (1959)
MBA, BA

Board member of Essity AB, Halma Plc and Hilti AG. Former President of NetCom ASA 2001–2005 and President of Midelfart & Co AS 1995–2000. Former member of the Boards of AB Electrolux, Telenor ASA Cable & Wireless Plc, Orkla ASA, Tandberg ASA and G4S Plc as well as industry advisor to EQT.

Elected: 2006
Class B shares: 10,000

Independent of the Company, corporate management and SCA's major shareholders.

Employee representatives

Niclas Andersson (1974)
Chairman of SCA Wood business council, SCA Wood Scandinavia AB, Tunadal
Member of Unionen.

Appointed: 2021
Class B shares: 30

Roger Boström (1971)
Chairman of the Swedish Paper Workers' Union dept. 167 at SCA Massa AB, Östrand pulp mill.
Member of the Swedish Trade Union Confederation (LO).

Appointed: 2013
Class B shares: 55

Maria Jonsson (1966)
Chairman Unionen, SCA staff functions
Member of the Council for Negotiation and Cooperation (PTK).

Appointed: 2022, formerly deputy since 2017

Employee representatives, deputies

Stefan Lundkvist (1977)
Chairman of Swedish Paper Workers Union, dept 158, SCA Munksund AB.
Member of the Swedish Trade Union Confederation (LO).
Appointed 2017.

Malin Marklund (1986)
Chairman GS trade union branch, Munksund sawmill
Member of the Council for Negotiation and Cooperation (PTK).
Appointed 2022.

Peter Olsson (1975)
Chairman Ledarna (Swedish Organization for Managers), SCA Obbola AB
Member of the Council for Negotiation and Cooperation (PTK).
Appointed 2021.
Class B shares: 1,240

Auditors

Ernst & Young AB
Senior Auditor:
Fredrik Norrman, Authorized Public Accountant

Secretary to the Board

Sofia Haga
Master of Laws
Senior Vice President, Legal Affairs Group Function, General Counsel.

Information regarding individuals' own and related parties' shareholdings pertains to the situation on December 31, 2025.

Executive Management Team

Ulf Larsson (1)
President and CEO
BSc Forestry
Employed since: 1992
Class A shares: 26,000
Class B shares: 106,000

Stina Danielsson (2)
Senior Vice President, Human Resources
BA
Employed since: 2005
Class B shares: 8,506

Anders Edholm (3)
Senior Vice President Sustainability and Communications
Degree of Bachelor of Science in Military Studies
Employed since: 2021
Class B shares: 5,617

Kristina Enander (4)
Senior Vice President, Strategic Development
MSc Eng. chemical engineering in physics
Employed since: 1993
Class A shares: 792
Class B shares: 16,516

Andreas Ewertz (5)
CFO
MSc Eng. and Management
Employed since: 2017
Class B shares: 5,376

Sofia Haga (6)
Senior Vice President Legal Affairs and General Counsel
Master of Laws
Employed since: 2022
Class B shares: 1,400

1. 2. 7. 6. 11. 5.

Petri Kalela (7)
President, Containerboard and Pulp
MSc Eng., MBA
Employed since: 2025

Mikael Källgren (8)
President, Renewable Energy
BSc Energy
Employed since: 2015
Class B shares: 6,282

Jerry Larsson (9)
President, Wood
MSc Eng., MBA
Employed since: 2003
Class B shares: 12,000

Jonas Mårtensson (10)
President, Forest
MSc Eng.
Employed since: 2005
Class B shares: 33,733

Magnus Svensson (11)
President, Sourcing & Logistics
MSc Eng.
Employed since: 1993
Class A shares: 29,500
Class B shares: 30,500

Sustainability Statement

CONTENTS

General information

BP-1: General basis for preparation of the Sustainability Statement

SCA's Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS (EU) 2023/2772) through implementation in Swedish legislation, the Annual Accounts Act. The report uses the term Sustainability Statement in accordance with the ESRS terminology. For entity-specific disclosures such as topics and key figures, the term company-specific is used.

Sustainability is integrated into the Group's operations, and the Sustainability Statement forms part of SCA's Annual Report for 2025. Own operations are defined by following the same consolidation principles as for the financial statements, see Note A1.

The Sustainability Statement covers the SCA Group, including wholly owned subsidiaries and subsidiaries in which SCA owns at least 50% of the company, see Note F1 in the financial statements. If SCA owns 50% or more of a subsidiary, the entire company is included in the report. Divested and acquired operations are included for the part of the year the operations were owned by SCA. The countries in which the Company operates are shown in table B1:1 in Note 1 of the financial statements.

The basis for SCA's Sustainability Statement is a double materiality assessment that covers its own operations as well as upstream and downstream activities across the Company's value chain. The scope of the value chain is described in the section SBM-1. The double materiality assessment identified material impacts, risks and opportunities related to the Company's operations. These define the scope of the Company's Sustainability Statement.

SCA has chosen to apply phase-in rules and will not report anticipated financial effects for 2025. The topical standards ESRS S2 Workers in the value chain and S3 Affected communities are considered material in the double materiality assessment and the phase-in rules will be applied for these in 2025.

SCA has not omitted any information on intellectual property, know-how, results of innovation or issues raised during negotiations with the Group's Member State (Sweden).

BP-2: Disclosures in relation to specific circumstances

Value chain estimation

SCA's Sustainability Statement describes the assumptions, estimates and assessments that have been applied. SCA strives to continuously improve the accuracy of the metrics, for example, by using more effective and specific emission factors. The process of improving underlying data is part of the efforts to achieve continuous improvements. The following metrics are based on indirect sources or estimates:

- Greenhouse gas (GHG) emissions, Scope 1, 2 and 3. See a statement on the methodology and the metrics estimated in Environmental information E1-6.
- Increase in soil carbon when calculating CO_2e uptake in forests is based on an average for Sweden calculated using publicly available data from Statistics Sweden.
- Scenario analyses, such as assessment of climate change, use assumptions about future developments.

Sources of estimation and outcome uncertainty

SCA strives to obtain data that is as reliable as possible. Data collection may introduce uncertainty in calculations due to measurement accuracy of volumes, weights, areas and hours used. The lack of standardized data collection in the value chain may impact the comparability of data between different suppliers and between different measurement periods. In some cases, assumptions and conversion factors are required to calculate outcomes and entail a source of uncertainty. The conversion factors used are publicly available and obtained from suppliers or from literature.

Conversion factors are used, for example, in the form of emission factors to calculate fossil emissions, energy measures to calculate energy consumption based on the amount of fuel used, and factors from public literature are used to calculate water consumption, CO_2e uptake in forests, carbon storage in products and the national electricity mix. In some cases, calculations are made using data with a delay of one year and are dependent on when the public sources are updated with new data. Updating factors based on new measurements may impact comparisons with prior periods.

When calculating potential avoided emissions, there is uncertainty as the displacement factors used are based on data from life cycle assessments and literature data as well as assumptions about the products' application areas based on customer knowledge.

The calculation of the waste volume depends on the accurate classification of the different waste fractions and measuring or estimating the quantity and dry content.

The analysis of indicators for biodiversity is dependent on the Swedish National Forest Inventory's sample plots being representative of the land holding. This is considered to be fulfilled due to the Company's large forest holdings.

Intensity metrics for energy, fossil emissions and water are based on the Company's sales. As sales can vary between years due to changes in market prices and exchange rates, comparisons between periods are affected.

Assessments based on assumptions about future developments and their impacts, for example in scenario analyses and in assessments of the resilience of the business model implies a source of uncertainty. The availability of updated and reliable scenarios may also introduce uncertainty into scenario analyses.

When calculating fossil emissions in Scope 1, 2 and 3, assumptions, data quality and emission factors pose uncertainties. For example, for Scope 3 emissions, there is uncertainty about the data reported when it comes to the calculation of emissions in category 2 Capital goods, where emission data based on the amount invested is used to calculate GHG emissions. However, this uncertainty is of limited relevance as the emissions are relatively low in normal years. For years with major investments, emissions can have a greater impact on total GHG emissions for isolated years. Measurement methodologies, uncertainties and assumptions used for Scopes 1, 2 and 3 are described in more detail in the Environmental information E1-6.

Company-specific key figures

The Company reports climate benefit as a company-specific key figure. Climate benefit is calculated based on components of the global standard: Wood and wood-based products – Greenhouse gas dynamics ISO 13391 parts 1–3. The ISO standard includes four components: uptake in forests, carbon storage in products, potential for avoided emissions and fossil emissions in own value chain. The Company has also elected to include avoided emissions from wind power produced by the wind farms over which the Company has operational control. The ISO standard does not specify a summation of the components. A summation of the ISO components and the inclusion of wind power are deviations from ISO 13391, which is used to report outcome for the company-specific key figure climate benefit. Outcome is reported in Environmental information E1-4. As the ISO standard was approved in 2025, no verification scheme has yet been approved to enable external third-party auditing. The outcome has therefore not been reviewed by any party other than SCA's external auditor.

The calculation methodologies and factors used for uptake in forests are described in Environmental information E1-7. Calculation methodologies and assumptions for fossil emissions in the value chain, as well as boundaries in Scope 3, are described in Environmental information E1-6.

Carbon storage in products during their lifetime refers to the impact of delaying the return of biogenic carbon to the atmosphere until products reach the end of their life cycle. The impact is calculated in accordance with the methodology in national climate reporting of the Harvested Wood Products (HWP) carbon pool, which is part of the LULUCF reporting and is aligned with IPCC guidelines. HWP coefficients are determined on the basis of assumptions of half-life and recycling rates used to calculate net change in carbon sink per product category in use during the reporting year. A positive HWP coefficient indicates that the net inflow of new products in the product category is greater than the outflow. Recovered fiber is considered already in use and adds no new carbon. The HWP calculation only includes the proportion of fresh fiber in the product, which is why the volume of products sold is reduced by the proportion of recovered fiber. The half-lives, recycling rates and HWP factors used by the Company are stated in Environmental information E1-4.

Potential avoided emissions refers to the GHG emissions that can be avoided when the Company's products replace fossil alternatives or products with a higher carbon footprint. Avoided emissions are expressed as a potential as the reduction in fossil emissions occurs downstream when the customer chooses the product and is therefore outside the Company's control. Avoided emissions are calculated using displacement factors

(DP factors) that are based on life cycle assessments and published research. DP factors are determined per significant product category and indicate CO_2e emissions for alternative products per biogenic CO_2e content of the wood-based product and are expressed as t CO_2e/t CO_2e. The DP factors are applied to the volume of externally sold products during the year per product category, with an assumption of the share leading to displacement and thereby avoided emissions. DP factors are determined per product category based on its primary use and its final use, normally in the form of energy recovery. Recyclable content is included in the volume of product when calculating avoided emissions. However, the DP factors do not include the effects of the reuse of materials once or more times during their life cycle. When selecting the DP factor, GHG emissions in the wood-based products' value chain are excluded as these are included in a separate component when calculating climate benefit. The DP factors used by the Company are stated in Environmental information E1-4.

Changes in preparation or presentation of sustainability information
SCA has changed its presentation of sustainability information by aligning the Sustainability Statement with the requirements of the ESRS. As of 2025, the Sustainability Statement will form part of the Board of Directors' Report. Given that 2025 is the first year of sustainability reporting under the ESRS, comparative data is only presented when available. The outcome of the previous year is reported in a separate column or presented in brackets.

Changes in reporting principles
The following changes in reporting principles were made during the year:
- From 2025, logistics operations are included in regulated emission trading systems as reported in Environmental information E1-6.
- During the year, Scope 3 categories were reviewed to ensure that SCA is reporting in accordance with the GHG Protocol. The review resulted in the addition of two categories: Capital goods and Processing of sold products. The review also led to additional data being added to two categories. Terminal operations have been added to Upstream transportation and distribution. Waste from logistics operations has been added to Waste generated in operations.
- A water consumed category has been added to reporting of water use, using an industry estimate based on raw water intake.

Changes in reporting in accordance with the EU Taxonomy
For 2025, the Company has applied amended reporting requirements in accordance with the EU Omnibus Package. For SCA, this means that materiality thresholds are applied. Comparative data and key figures for 2024 have been adjusted in accordance with the updated reporting requirements and materiality thresholds that apply from January 1, 2026.

Reporting errors in prior periods
This is the first year that sustainability reporting is in accordance with the requirements of the ESRS. Any material misstatements in previous years' reporting will be presented under the respective topical standard in connection with the respective datapoints.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
SCA's Sustainability Statement is the Group's statutory Sustainability Statement in accordance with the Swedish Annual Accounts Act, Chapter 6, Sections 12–12 f. The report has been prepared in accordance with the ESRS, as required by the Corporate Sustainability Reporting Directive (CSRD). Reporting in accordance with the EU Taxonomy Regulation is presented in the section Environmental information. SCA's Sustainability Statement also serves as the Company's annual Communication on Progress to the UN Global Compact.

SCA complies with European and international standards and certification frameworks. To ensure that all wood raw material originates from responsibly managed forests, SCA's forest management is certified under PEFC and FSC, which is regularly verified by independent third parties. SCA's pulp and paper mills are certified according to ISO standards relating to quality, environment, energy, and health and safety, while forest operations are certified in accordance with the ISO 14001 environmental standard.

Incorporation by reference
SCA has chosen to refer to other parts of the Annual Report for a number of disclosure requirements, see table below. When a reference is made as a note, it refers to a note in the financial statements. When referring to the Risks and risk management section of the Board of Directors' Report, the term "risk section" is used in other parts of the Sustainability Statement.

ESRS	Requirements under the ESRS	Section in the Annual Report
ESRS 2 BP-1	Own operations are defined by following the same consolidation principles as for the financial statements.	Note A1
ESRS 2 BP-1	Scope of Sustainability Statement. Group including subsidiaries.	Note F1
ESRS 2 BP-1	Description of the countries in which the Company operates.	Note B1
ESRS 2 GOV-3	Description of incentive program.	Note C3
ESRS 2 SBM-1	Distribution of total revenue by reporting segment and country as stated in the financial statements and breakdown of employees by region.	Note B1
ESRS 2 SBM-3	Current effects of material impacts, risks and opportunities.	Note A1
ESRS 2 SBM-3	Time horizons for resilience analysis.	Risks and risk management
ESRS 2 SBM-3	Description of scenarios used for resilience analysis.	Risks and risk management
E1 GOV-3	Description of incentive program.	Note C3
E1 SBM-3	Time horizons for resilience analysis.	Risks and risk management
E1 SBM-3	Description of scenarios used for resilience analysis.	Risks and risk management
E1 IRO-1	Details and assumptions for the performed scenario analysis.	Risks and risk management
E1 IRO-1	Process for assessing and managing risks.	Risks and risk management
E1 IRO-1	Identified risks and opportunities related to physical risks and transition risks related to climate change.	Risks and risk management
E1 IRO-1	Current effects of material impacts, risks and opportunities.	Note A1
E1-2	Process for assessing and managing risks.	Risks and risk management
E1-5	Revenue for calculating intensity value.	Note B1
E1-6	Revenue for calculating intensity value.	Note B1
E3-4	Revenue for calculating intensity value.	Note B1
E4 IRO-1	Process for assessing and managing risks.	Risks and risk management
E4 IRO-1	Details and assumptions for the performed scenario analysis.	Risks and risk management
E5-1	Process for assessing and managing risks,	Risks and risk management
S1-1	Process for assessing and managing risks.	Risks and risk management
S1-6	Total personnel costs.	Note C1
S3	Process for assessing and managing risks.	Risks and risk management

GOV-1: The role of the administrative, management and supervisory bodies

Composition of SCA's Board of Directors

The Board of Directors consists of nine members elected by the Annual General Meeting (AGM) and three workers' representatives. In addition, there are three deputies for the workers' representatives. The Board of Directors includes an executive Board member, the President and CEO. The Board of Directors' composition meets the requirements of the Swedish Corporate Governance Code and its requirements for independence in relation to the Company and company management as well as the Company's major shareholders. The Board of Directors' composition is presented in the table below.

Composition of SCA's Board of Directors	Excluding workers' representatives[1)]	Including workers' representatives[1)]
Number of executive Board members	1 (1)	1 (1)
Number of non-executive Board members	8 (8)	11 (11)
Percentage of Board members by gender	56% (56) women 44% (44) men	50% (50) women 50% (50) men
Gender distribution of the Board of Directors	125% (125) women relative to men	100% (100) women relative to men
Percentage of independent Board members[2)]	89 (89)%	92 (92)%

[1)] Refers to regular members. Figure in brackets refers to preceding year.
[2)] Refers to members who do not have a senior position in the Company.

Board of Directors' role

The shareholders' meeting is SCA's highest decision-making body. The Board of Directors is appointed by the AGM and is the Company's highest administrative body. The Board of Directors has overall responsibility for the Company's organization and administration through regular monitoring of the business and by ensuring the appropriateness of the organization and management team, and also compliance with guidelines and internal control. The Board of Directors approves strategies and targets, and decides on major investments, acquisitions and divestments of operations, among other matters. The Board of Directors is also responsible for ensuring that financial statements and statutory sustainability reporting comply with applicable legislation and also adopts by resolution the Company's Annual Report, including the Sustainability Statement.

The Board of Directors resolves on SCA's policies, short-term incentive programs and remuneration targets, and also approves the Company's sustainability targets and double materiality assessment. Long-term incentive programs are proposed by the Board of Directors and adopted by the AGM. The President and CEO is responsible for the day-to-day administration of the Company in accordance with the Swedish Companies Act and the Board of Directors' instructions and guidelines. The President and CEO is supported by the Executive Management Team, the work of which is led by the President and CEO.

Audit Committee

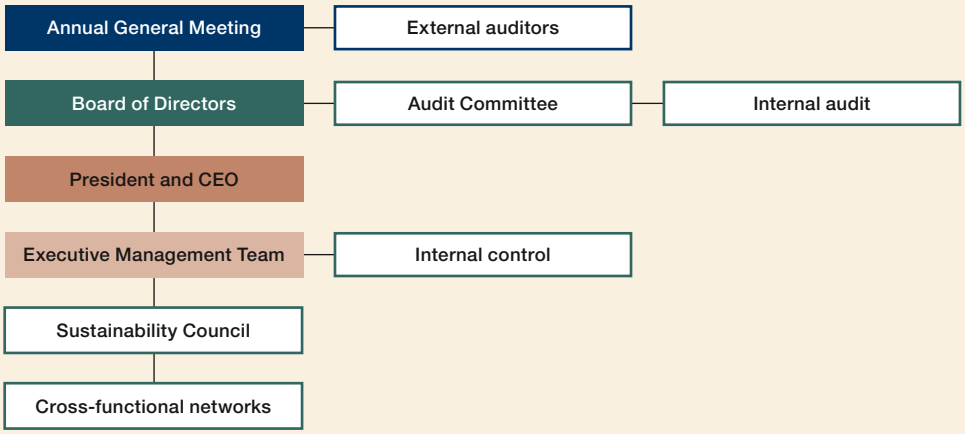
The Company's Board of Directors has, from within its own ranks, established an Audit Committee. The tasks of the Audit Committee include monitoring financial reporting and sustainability reporting and the efficiency of the Company's internal control, internal audit and risk management, and submitting recommendations and proposals to ensure the reliability of reporting. The Committee keeps itself informed on the auditor's review of the Sustainability Statement, reviews and monitors the impartiality of the auditor and submits information to the Board of Directors concerning the results of the audit. The Audit Committee is also responsible for overseeing the Company's sustainability reporting, including compliance with the Company's Code of Conduct, the Company's double materiality assessment and identified material impacts, risks and opportunities, along with related targets and action plans.

Remuneration Committee

The Company's Board of Directors has also, from within its own ranks, established a Remuneration Committee. The Remuneration Committee prepares the Board of Directors' motions on issues relating to remuneration principles and remuneration and other terms and conditions of employment for the President and CEO, and is authorized to make decisions on these matters for the Company's other senior executives. The Committee prepares targets for variable remuneration, which include financial and sustainability-related targets, and monitors and assesses programs for variable remuneration, the application of the AGM's resolution on guidelines for remuneration of senior executives and the applicable remuneration structure and remuneration levels in the Group. The Remuneration Committee also prepares the Board's remuneration report.

Control and follow-up of sustainability work

Control and follow-up of sustainability work follows the same model as other operations in SCA.



Internal audit
Internal audit is a separate function with the task of evaluating and improving the efficiency of SCA's internal control, governance and risk management. Internal audit reports to the Audit Committee and the Board in relation to internal audit matters. The function evaluates SCA's internal processes and compliance with SCA's policies, including follow-ups of the Code of Conduct and global instructions. The assignment also includes supervision of financial reporting and sustainability reporting.

Relevant experience, knowledge and skills
All of SCA's AGM-elected Board members have experience of the requirements incumbent upon a listed company. Furthermore, the members have experience that is relevant to the Group's operations, products and the geography in which it operates. Examples include knowledge of the industry, forests and forestry, industrial manufacturing, market skills, economics, business conduct, responsible business conduct and various aspects of sustainability matters. Workers' representatives have both industry and company-specific experience. Board members have expertise relevant to the Company's material impacts, risks and opportunities, such as climate change mitigation and adaptation, biodiversity, circularity and business conduct. The Board of Directors has access to the Group's own experts on specific issues and, when necessary, it can call on external consultants and experts in various areas.

Sustainability governance
SCA's sustainability work is an integral part of the Company's business model and operations. The sustainability work helps the Company strengthen competitiveness, reduce risks and costs, and attract talent and investors. SCA's strategic priorities in the field of sustainability are clarified in a sustainability platform that covers all of the Company's commercial activities. To deliver progress in sustainability, the Company has adopted Group targets in areas where SCA can make a key contribution toward sustainable development – socially, environmentally and economically.

The Board of Directors and the President bear the overall responsibility for governance of SCA's business in the field of sustainability. Sustainability matters and risks are regularly addressed at meetings of the Board of Directors and Audit Committee. SCA's sustainability agenda is headed by the Group's Sustainability Council, which includes members of the Executive Management and the Group's Vice President Sustainability. The Sustainability Council is led by the Group's Senior Vice President Sustainability and Communications who is also responsible for sustainability matters in the Executive Management and reports to the CEO. In addition, a number of cross-functional networks and forums exist to manage and coordinate issues in areas such as the environment, health and safety and compliance.

Control and follow-up of sustainability work follows the same structure as other operations in the SCA Group. Responsibility and authority follow SCA's normal delegation scheme. The sustainability agenda is based on SCA's set of core values and regulated through the Group's policies, where the Code of Conduct and Company's Sustainability Policy form the basis of sustainability activities. The Board of Directors approves SCA's policies.

The Group sustainability targets are formulated based on a double materiality assessment and on strategic priorities. These are supplemented at local level with entity-specific targets. The President and CEO is responsible for conducting the double materiality assessment and preparing Group targets. These are then submitted to the Board for approval. Risks linked to the field of sustainability form part of the Group's overall process for risk management and are included in the Company's framework of internal controls. The outcome of the risk analysis, including mitigating measures, is addressed by the Audit Committee and the Board of Directors.

Follow-up of sustainability work
Follow-up and evaluation of sustainability work complies with SCA's procedures for self-assessment, internal control and audits. Follow-up is conducted at unit level together with other monitoring of targets, and aggregated at Group level. The outcome of the Group-wide targets is monitored by the Group's cross-functional network, SCA's Sustainability Council, Executive Management and the Board. Any discrepancies are reported using the discrepancy procedures in each business area and corrective measures are identified and implemented as required.

The external auditor takes part in each meeting of the Audit Committee and reports on observations made and the status of completed and planned parts of the year's audit, which includes the sustainability reporting. Certain parts of the detailed discussion on the accounts take place without representatives of company management being present.

SCA's Compliance Council continuously monitors the scope, outcome and actions of reported potential breaches of SCA's Code of Conduct and reports quarterly to the CEO and the Board of Directors' Audit Committee. In addition, the CEO participates at least once every year in a meeting of SCA's Compliance Council.

GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Board of Directors bears the overall responsibility for sustainability governance. The Audit Committee monitors sustainability-related risks and reporting, while the Remuneration Committee ensures that sustainability targets are taken into consideration in incentive programs.

The Board of Directors' formal work plan stipulates which reports and information related to sustainability performance and reporting are to be presented to the Board of Directors and its Audit Committee. The President and CEO ensures that the Board of Directors and its Audit Committee receive the reports required to enable the Board of Directors to continuously assess the Company's and Group's impacts on sustainability matters and how sustainability matters impact the Company's development, position and results of operations. The CEO is responsible for ensuring that the Board of Directors is provided with information that is relevant, sufficient and up to date concerning material sustainability-related impacts, risks and opportunities, the implementation of due diligence and the follow-up of targets and policies.

The Audit Committee is responsible for preparing the Board of Directors' work to quality assure the Company's sustainability reporting, its scope and focus, and to review the risks associated with the Company's operations and the Company's actions in sustainability matters as well as to evaluate the appropriateness and adoption of sustainability targets and strategies. Each quarter, the Audit Committee addresses matters related to health and safety statistics and reviews cases related to potential breaches of the Code of Conduct.

The Audit Committee also prepares strategic sustainability matters, such as the result of the double materiality assessment and the relevance and effectiveness of sustainability targets. They review external audit opinions on the sustainability reporting and ensure the reliability and transparency of the Sustainability Statement. Risks linked to the field of sustainability form part of the Group's overall process for risk management and are included in the Company's framework of internal controls. The outcome of the risk analysis, including mitigating measures, is addressed by the Audit Committee and submitted to the Board of Directors.

The Audit Committee considers the results of the external audit and the sustainability review, including the auditor's opinion on the Sustainability Statement, and follow ups the effectiveness of the Company's internal controls and risk management. The Audit Committee informs the Board of Directors of its conclusions and submits recommendations to ensure the reliability of sustainability reporting.

The Board of Directors receives a report from the President at all scheduled meetings regarding the work environment, health and safety and other sustainability work. In addition, sustainability matters are addressed separately on at least two occasions during the year. The Board of Directors holds a strategy meeting at least once a year that includes sustainability. In addition, the Board of Directors adopts the double materiality assessment, resolves on sustainability targets and approves SCA's policies.

The Board of Directors takes into account sustainability-related risks, opportunities and impacts when implementing the Company's strategy, and in decisions on major investments, acquisitions and risk management processes. The Board also considers trade-offs between financial and non-financial targets when making these decisions. Evaluating and managing sustainability risks is an integral part of the Company's risk process.

During the year, the Board of Directors and the Audit Committee addressed in particular material sustainability matters related to the work environment and safety, compliance with the Code of Conduct,

the execution of the double materiality assessment and the adoption of sustainability targets.

The quality of sustainability reporting is ensured via a number of actions and procedures, such as the four-eye principle and internal control. The responsibilities of the Company's auditors include a limited assurance of the annual Sustainability Statement.

GOV-3: Integration of sustainability-related performance in incentive schemes

SCA's programs for variable remuneration consist of long-term and short-term incentive programs that cover financial and sustainability-related non-financial targets. The incentive programs follow the guidelines for remuneration of senior executives as resolved by the AGM. The programs are part of total remuneration and are designed to attract and retain strategic expertise. Employees not covered by the variable remuneration programs are offered an employee bonus that includes financial and operational performance and sustainability components.

The long-term incentive program, LTI, is offered to the President and other members of Executive Management as well as a number of key employees in the organization. Performance conditions under existing programs include the performance of the Company's share price in relation to a peer group and the climate benefit delivered by the Company. The financial component encompasses 90% and the sustainability component 10% of the maximum outcome. Climate benefit is the Company's Group target with respect to its contribution to a fossil-free world. Climate benefit comprises the forest's net uptake of CO_2, the carbon sequestration of products and their potential to avoid fossil emissions, as well as the reduction of the value chain's fossil emissions, refer also to Environmental information E1 Climate change for more details. The outcome for the sustainability component, climate benefit, is calculated based on the outcomes reported in SCA's Sustainability Report. The Board of Directors has set a threshold and maximum levels for each performance condition. The LTI program is resolved by the AGM. Refer also to Note C3 in the financial statements.

The short-term incentive program, STI, and the employee bonus, AEB, include, in addition to financial and operational targets, a sustainability component that currently comprises the Group's TRI outcome. TRI stands for Total Recordable Incidents and specifies the number of accidents and injuries in a workplace that result in death, sick leave, alternative work or medical treatment beyond first aid. The Company has chosen TRI as a measure of the Company's development of a health and safety culture to achieve the vision of zero workplace accidents and the Group target of an accident-free and healthy SCA. The TRI outcome can constitute up to 10% of the maximum compensation outcome and is measured as frequency, meaning the number of TRIs per million hours worked. The Remuneration Committee prepares the issue of STI programs and AEBs, and decisions are made by the Board of Directors.

GOV-4: Statement on due diligence

The table below lists the information in the Sustainability Statement that relates to SCA's procedures for due diligence.

Core elements of due diligence	Sections in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	SBM-3, GOV-2, GOV-3
b) Engaging with affected stakeholders	SBM-2, IRO-1, E1 SBM-3, E2 IRO-1, E3 IRO-1, E4 IRO-1, E4-1, E4-2, E4-3, E5 IRO-1, S1 SBM-2, S3, G1 IRO-1, G1-1
c) Identifying and assessing adverse impacts for people and the environment	SBM-3, IRO-1, E1 SBM-3, E1 IRO-1, E2 IRO-1, E3 IRO-1, E4 SBM-3, E4 IRO-1, E4-3, E5 IRO-1, S1 SBM-3, S1-4, S2, S3, G1-1
d) Taking actions to address those adverse impacts for people and the environment	E1-1, E1-3, E1-4, E2-2, E2-3, E3-2, E3-3, E4-1, E4-3, E4-4, E4-5, E5-2, E5-3, E5-4, E5-5, S1-4, S1-5, S2, S3, G1-1, G1-2, G1-3
e) Tracking the effectiveness of these efforts and communicating	E1-4, E1-5, E1-6, E1-7, E2-3, E2-4, E3-3, E3-4, E4-3, E4-4, E4-5, E5-3, E5-4, E5-5, S1-5, S1-6, S1-7, S1-8, S1-9, S1-10, S1-13, S1-14, S1-15, S1-16, S1-17, S2, S3, G1-4, G1-6

GOV-5: Risk management and internal controls over sustainability reporting

SCA has implemented internal controls throughout the organization to manage and minimize both financial and sustainability-related risks. An annual review is performed of the risk scenario, where identifying, evaluating and managing risks are part of the process in accordance with the Company's Risk Management and Internal Control Policy. A review of already identified risks is conducted every year with the addition of any new identified risks. Each risk area has a list of identified risks and control activities that have been defined and implemented to mitigate the risks. Both the risk scenario and internal control relate to all of the Company's operations.

The effectiveness of internal controls is evaluated using self-assessments. The Group's internal control function summarizes the result of the self-assessments and reports to the Executive Management, Audit Committee and the Board of Directors.

The quality of sustainability reporting is ensured via a number of actions and procedures, such as the four-eye principle and internal control. The President bears the overall responsibility that all sustainability reporting is correct and of a high quality. The President ensures that the Board of Directors receives the reports required to enable the Board of Directors to continuously assess the Company's and Group's impacts on sustainability matters and how sustainability matters impact the Company's development, position and results of operations. The responsibilities of the Company's auditors include a limited assurance of sustainability matters that are critical for sustainability reporting and reporting their observations to the Audit Committee and the Board of Directors. In addition to the audit of the annual accounts, a review of the Company's internal control is also carried out.

Evaluating and managing sustainability risks is an integral part of the Company's risk process. The main risks to sustainability reporting have been identified as occurring in the double materiality assessment as well as the quality of data collection and data reporting. Another risk is the quality of available factors for recalculating data, such as emission factors for the calculation of GHG emissions. Completed calculations and inaccurate assumptions could also lead to errors in sustainability reporting.

To minimize the risk association with the double materiality assessment, different groupings and stakeholders have been involved in identifying and assessing material impacts, risks and opportunities. The results were subsequently validated in various forums to verify the results and that no material impact areas had been overlooked.

To ensure that data is correctly collected and reported, process descriptions have been created that specify when the different steps should be carried out, who is responsible, what data is referred to and what data sources should be collected. Several stages of controls, plausibility assessments and approval using the four-eyes principle are used to mitigate the risk of errors in reporting. The four-eyes principle means that at least one person validates the data and another person approves it. SCA's system for environmental data has a built-in deviation control, which means that a deviation greater than 10% must be commented on. Reviews and comparisons with previous years are performed at various stages to reduce the risk of errors in reporting.

SBM-1: Strategy, business model and value chain

SCA's sustainability platform

SCA's business model
SCA is Europe's largest private forest owner and the Company's value creation is based on its own forests. SCA has built an integrated and well-invested industry around this renewable resource, utilizing the entire tree to maximize the value from the forest. From this raw material, SCA creates renewable products that benefit customers around the world and contribute to mitigating climate change by phasing out fossil materials.

Active and responsible forest management and efficient use of the renewable raw material from the forest can maximize both economic value creation and the climate benefit from the forest. This makes it possible to manage the forest without consuming it, while at the same time profitability can grow in parallel with strengthening the positive contribution to combating climate change.

SCA's sustainability platform
Sustainability is integrated into the entire business and is part of SCA's business concept. SCA's sustainability platform provides an overview of the Company's sustainability priorities and clarifies the link to the Company's strategy, see the illustration above and the table on the next page.

The foundation consists of committed employees and a value-based culture that is underpinned by the Company's Code of Conduct. This value-based culture safeguards an accident-free and healthy SCA and sound business conduct.

A prerequisite for sustainable development over time is profitable growth. The Company's strategy for profitable growth is built around its growing and renewable forest assets, continuously increasing value creation from each tree and maintaining a high degree of self-sufficiency in strategic areas, such as wood raw materials, energy and logistics.

From this foundation, SCA has identified four areas where the Company can make a significant difference. These areas are:

- **Fossil-free world** – We contribute to mitigating climate change and phase out fossil materials through our renewable products and our growing forest.
- **Valuable forests** – We contribute to responsible forest management and a sustainable harvesting level in our own forest management and through our suppliers. Responsible forest management also includes preserving biodiversity and the forest's other values.
- **Efficient use of resources** – We contribute to increased resource efficiency through our integrated value chain where the entire tree is used and side streams are utilized effectively, and through ongoing efficiency work. We can also contribute to our customers' resource efficiency through material selection and technical expertise.
- **Vibrant communities** – We contribute in various ways to sustainable development in the communities where we conduct operations. Jobs and livelihoods are created through our operations and the activities of our suppliers. We also support skills development and meaningful leisure activities.

SCA's product portfolio and geographical exposure
SCA's main products comprise solid wood products, pulp, containerboard and renewable energy. The Company's earnings are reported externally divided into five segments: Forest, Wood, Pulp, Containerboard and Renewable Energy. Almost all sales in the Forest segment are from internal sales within the Group.

SCA's significant markets include Sweden, Germany, the US and the UK, as well as the rest of Europe. There has been no significant changes to product groups or geographic markets compared with the preceding year. Additional volumes from investments in containerboard and pulp, currently being ramped up to full capacity, are being sold in existing markets. The Group's sales by country and the breakdown of employees by region are presented in Note B1 of the financial statements. Note B1 also shows sales by segment. No products or services provided by the Company are banned in any market. The Company is not active in the areas of fossil fuels, chemicals production, weapons manufacturing or tobacco cultivation and production.

All of the Group's products contribute to the fossil-free world Group target, which is that SCA will deliver climate benefit exceeding 10 million t CO_2e per year. Furthermore, the Group's industrial ecosystem helps to utilize the entire harvested tree in products or internally as raw materials and bioenergy, meaning Efficient use of resources with the Group target of Zero waste. By utilizing the entire tree, SCA supports a circular economy and enables society to replace fossil materials and fossil energy.

Priorities in sustainability
For several years, SCA has gathered its strategic priorities in sustainability in its sustainability platform. The sustainability platform includes six components, each with its own Group target, see below. The material sustainability areas (impacts, risks and opportunities) identified in the Company's double materiality assessment are closely connected to the components of the sustainability platform. The connection between the material ESRS standards and each sustainability component is presented below. The Company's sustainability work is led by SCA's Sustainability Council, see GOV-1.

Strategic priorities	 People and value-based culture	 Profitable growth	 Fossil-free world
Why material	SCA's core values – responsibility, respect and excellence – are described in SCA's Code of Conduct, which all employees are to comply with. They permeate the Company's business relationships and interaction with stakeholders. SCA is to be an inclusive and attractive employer that puts health and safety first. SCA aims to establish a sustainable supply chain with suppliers and contractors that share the Company's values.	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 increasing the value generated from each tree.	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 CO_2 from the atmosphere, and by continuously striving to reduce GHG emissions from its own value chain.
Material risks[1]	• Business conduct. • Reputational risk. • Suppliers. • Employee-related risks. • Risks at production plants.	• Financial risks. • Demand and market price for SCA's products. • Impact of political decisions.	• Climate change. • Political processes. • Financial risks.
Impact on value chain	Employees (existing and potential), suppliers, customers, society.	Shareholders, customers, society, employees, suppliers.	SCA's forests, SCA's facilities, suppliers, transportation, customers.
Connection to topical standards under the ESRS	S1 – Own workforce. S2 – Workers in the value chain. G1 – Business conduct.	E1 – Climate change. E4 – Biodiversity and ecosystems. E5 – Resource use and circular economy.	E1 – Climate change.
UN Sustainable Development Goals[2]	Goal 3, 5, 8 and 10.	Goal 12.	Goal 7, 9, 12 and 13.
Policies and governance	• SCA's Code of Conduct. • Sustainability Policy. • Health and Safety Policy. • HR Policy. • SCA's Supplier Standard. • Steering committee ZERO. • SCA's Compliance Council. • SCA's Occupational Health and Safety Network.	• Financial Policy. • Financial control. • Business development plans. • Business review meetings.	• Sustainability Policy. • Business development plans. • Climate roadmap. • Energy-saving program, ESAVE.
Group target 2030 Overarching sustainability targets[3]	**An accident-free and healthy SCA where all employees comply with SCA's Code of Conduct**	**Leading total shareholder return (TSR)**	**Climate benefit exceeding 10 million t CO_2e**

[1] See the risk section in the Board of Directors' Report.
[2] The UN's 17 Sustainable Development Goals play an important part in the work with SCA's sustainability platform. SCA views the goals holistically and makes a direct or indirect contribution to all of the goals. The examples above show how the Company contributes to the goals through each component in SCA's sustainability platform. This is not a disclosure requirement under the ESRS.
[3] Group targets have 2019 as the base year unless otherwise stated.

SCA contributes in various ways toward initiatives aimed at achieving a more sustainable world. SCA is a member of the UN Global Compact, an initiative aimed at convincing companies to take responsibility for the UN's ten principles in the areas of human rights, labor, environment and anti-corruption. SCA is also active in a number of international, national and regional trade organizations.

WE SUPPORT
UN GLOBAL COMPACT

Valuable forests	Efficient use of resources	Vibrant communities
The forest is at the core of SCA's operations. Through responsible forest management, the Company's 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 in order to reduce negative environmental impact and maintain or enhance conservation values, and also encourages and helps other forest owners to adopt responsible forest management.	SCA continuously strives to improve its resource efficiency, which contributes to better profitability while also being economical with resources and reducing the impact on the environment. Water is an essential resource and we safeguard access to clean water by minimizing our emissions and optimizing its use. We work continuously to minimize waste and look for new applications for the Company's side streams. Through innovation and product development, we contribute to greater material efficiency for the Company's customers.	SCA develops together with the communities in which it operates. Jobs and growth are generated through our business activities, both directly and indirectly. Entrepreneurial innovation and strategic collaboration are crucial in this respect. We support institutions that provide meaningful leisure activities and enhance cohesion in the local communities in which we operate.
• Risks linked to the forest holding. • Biodiversity. • Climate change.	• Environmental impact. • Legal risks. • Risks at production plants.	• Reputational risk. • Political processes.
SCA's forests, private forest owners, communities, customers.	SCA's operations, suppliers, customers.	Employees, society, suppliers.
E4 – Biodiversity and ecosystems.	E2 – Pollution. E3 – Water and marine resources. E5 – Resource use and circular economy.	S3 – Affected communities.
Goal 3, 6, 12, 13 and 15.	Goal 6, 7, 9, 12 and 14.	Goal 8, 9, 11 and 17.
• Sustainability Policy. • Instruction for sourcing of wood raw material. • Nature conservation strategy. • Forest management manual. • Quality manuals for forest operations, road construction and transport activities.	• Sustainability Policy. • SCA's Environmental Network. • Environmental permit including control programs. • Waste management procedures.	• Sustainability Policy. • Sponsorship procedures. • Procedures for consultation and co-planning. • Strategic skills supply plan.
SCA's forests are to be managed to make them at least as rich in biodiversity, nature experiences and raw material in the future as they are today and 100% of wood raw material is to come from responsibly managed forests.	**Zero waste – Nothing goes to waste**	**SCA contributes to sustainable development in the communities in which we operate**

SCA supports the 2030 Agenda and the UN's 17 Sustainable Development Goals. The Company works with the goals as a whole, contributing directly or indirectly to all of the goals.

UN's 17 Sustainable Development Goals

SCA's value chain
SCA's value chain begins in the forest and ends in our internal targets at the customers' gate. This boundary is set as the Company's products can be used in many different ways and are often one part of the final end product that the consumer uses or comes into contact with. When assessing impacts, risks and opportunities, the value chain is defined from the forest to the end of the product lifecycle. The value chain creates jobs both within and outside the Company's own operations.

The foundation of SCA's operations is the Company's own forests and central to the value chain are the Company's industrial facilities such as sawmills, pulp and paper mills, the production of solid biofuels and own wind power, as well as its own logistics operations. Important players in the value chain are the Company's employees and contractors engaged in the Company's various operations.

Renewable raw material from the forest is the predominant material resource inflow. About 60% of the wood raw material originates from the Company's own forests, including woodchips from SCA sawmills. The remaining volume is purchased externally from private forest owners, other forest product companies and forest owner associations, while small volumes are imported from other countries. About 95% of the wood raw material is from northern Sweden. In addition to wood raw material, the material resource inflow comprises recovered fiber and input chemicals that the Company purchases externally. The upstream value chain includes supply chains for externally sourced wood raw material, recovered fiber, input materials, the purchase of energy products, various consumables and spare parts for production and maintenance of equipment, as well as externally purchased services and relevant business partners.

Recovered fiber and input goods, such as chemicals, are purchased from external suppliers as well as services to manufacture and maintain plants and machinery. The Company both sells and purchases forestry services in the form of soil scarification, planting, clearing, thinning, fertilization and harvesting.

The Company also conducts some activities together with business partners. An example of this is a biorefinery for the production of liquid biofuels, jointly owned with the energy company St1. Liquid biofuels contribute to the transition of the transport sector away from fossil fuels. Tall oil, which is a by-product from the Company's kraft pulp mills, forms part of the raw material for the biorefinery.

The value chain encompasses many transport operations – of materials destined for industrial sites and of finished goods out into the world. Transportation is performed by the Company's own logistics operations combined with purchased transport services.

Downstream, in addition to deliveries to the Company's customers, waste is generated along the value chain. The share of waste that is within the Company's control is primarily generated at sites and most is recycled in various ways. Outside the Company's control, waste is created at the end of the product lifecycle for materials added when manufacturing the end products and that are non-biogenic or non-recyclable, as well as in the supply chain, for example, when manufacturing input goods and spare parts. The renewable fiber returns as biogenic CO_2 to the atmosphere and can be absorbed by new trees and converted into biomass.

Most sales are business-to-business and the Company's products are usually included as part of a final product. Solid wood products are sold for various structural components, cladding, moldings, furniture and flooring. Pulp is sold for further processing into tissue, packaging and graphic paper. Containerboard is sold to producers of corrugated board and forms one or more layers in the finished package. Renewable energy is sold in the form of electricity, solid biofuels and tall oil for further processing into liquid biofuels. Surplus heat from the Company's industries is sold as district heating to local communities.

Overview

Resource inflows
Wood raw material, recovered fiber, chemicals and other input goods, energy such as electricity and fuels, water, fuel, spare parts and consumables.

Resource outflows
Products, by-products such as bark, tall oil and district heating, side streams such as ash and sludge and waste.

Upstream value chain
Supply of wood raw material from external suppliers, suppliers of recovered fiber, input goods and consumables, producers of external energy and fuels as well as service providers in areas such as maintenance, silviculture and transportation.

Own operations
Forestry, sawmills, pulp and paper mills, pellets production, wind power, logistics operations, R&D, operational and strategic functions.

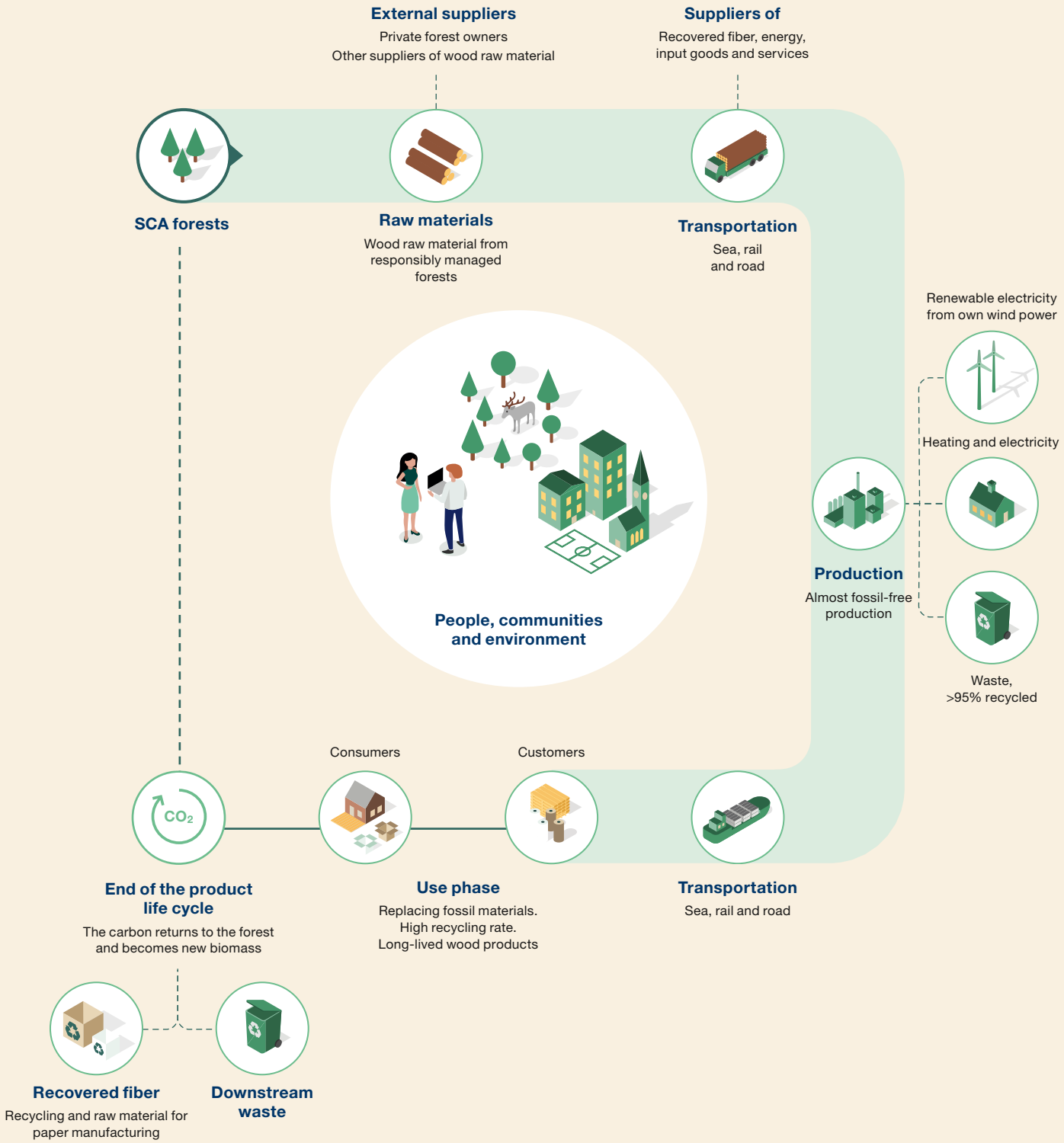
Downstream value chain
Distribution of products, customers, use of the Company's products by consumers and end-users, management of end-of-life products and waste.

Overview of SCA's value chain

The predominant material flow in SCA's value chain is mostly circular and based on wood raw material from the forest. Biogenic carbon from the forest returns to the atmosphere as CO_2 at the end of the products' life-cycle, which is then absorbed by growing trees and becomes new biomass that can be harvested to yield new products.

Different degrees of impact, both negative and positive, on people and the environment are present in the value chain. The double materiality assessment covers the entire value chain including upstream and downstream. For internal targets such as for fossil emissions, the scope is limited to the customers' gate.

Refers to part of SCA's value chain from forestry to the customers' gate.



SBM-2: Interests and views of stakeholders

Stakeholder dialogues

SCA engages in continuous dialogue with various stakeholder groups to improve its understanding of the issues that are important to each group, gain insight into stakeholders' views on its operations and gather valuable information for evaluating the Group's sustainability work. Stakeholder dialogues are an important part of the Company's double materiality assessment. They help identify and evaluate the negative and positive impacts, risks and opportunities of operations, as well as provide feedback on the Company's actions to mitigate negative impacts or enhance positive ones.

SCA identifies its primary stakeholder groups based on their interests and relationship with the Group's operations, business model and strategy. This is carried out in various ways depending on the stakeholder group and the part of the business concerned. The primary stakeholder groups are shown in the Stakeholder groups table.

The business areas maintain close dialogue with their customers and monitor customer satisfaction through surveys, face-to-face meetings and third-party assessments. SCA regularly meets investors, analysts and financial players. SCA maintains continuous dialogue with its suppliers to ensure quality and deliveries as well as the continued development of purchased goods and services. The Group performs All Employee Surveys and annual goal and performance reviews with its employees. Moreover, SCA communicates with other stakeholder groups and individuals in matters that have a major impact on society in general and local communities in particular. Meetings are held regularly with individuals living near SCA's industrial facilities. Stakeholder dialogues are conducted annually for the Company's five conservation parks in order to develop the parks' values in terms of biodiversity, alternative forestry methods, cultural heritage values and recreational opportunities. SCA also maintains close dialogue with NGOs, such as conservation organizations as well as Sami communities in reindeer herding areas. Politicians and the public sector, such as government authorities, are also important stakeholder groups that the Company holds discussions with in various ways. Through dialogues within the scope of our trade associations, positions for policy advocacy and opinion formation are established, while our interactions with politicians and decision-makers often lead to a deeper understanding of our operations among stakeholder groups.

Insights from dialogues with internal and external stakeholder groups are incorporated into the double materiality assessment, the overall strategy, the business model and in the preparation of sustainability targets.

SCA's Board of Directors is informed of the results of stakeholder dialogues in conjunction with the review and approval of the double materiality assessment. The Board is also regularly informed about stakeholder dialogues and specific events when these are relevant to its work and decision making.

Stakeholder groups table

SCA's key stakeholder groups, key topics by stakeholder group and channels for dialogue, interaction and cooperation.

Stakeholder groups	Channels for dialogue	Main topics	How we address the issues
Customers and consumers	Customer visits, meetings, interviews, participation in customer events and seminars, trade fairs, mailings, website, social media, regular contacts by e-mail and telephone.	Climate, environmental impact, ecolabelling, fiber sourcing, chain of custody, forestry, biodiversity, human rights, reindeer herding, health and safety, expertise, market, customer benefits, business development, resource efficiency, energy market, innovation, digitalization, quality, product safety, logistics and security of supply.	• Customer studies and surveys. • Customer visits to our forest operations and industries. • Close dialogue with customers to develop the Company's value chain. • Dialogue about product safety, climate, responsible forest management, chain of custody. • Training in the Company's Code of Conduct and Supplier Standard. • Development of new products and service concepts together with customers. • Life cycle assessments of products. • Visit to customers by SCA experts in various fields. • Customers who perform audits of SCA's operations. • Customer magazines and newsletters, such as SCA Wood Magazine and New Ways. • Ecolabels, for example Nordic Swan Ecolabel. • Sustainability assessment by EcoVadis. • Environmental Product Declaration (EPD).
Own workforce	Performance reviews, workplace meetings, engagement meetings, work councils, Group Council, online surveys, intranet, internal courses, management meetings.	Value-based culture, health and safety, attraction and recruitment, induction, skills development, succession planning, remuneration, business conduct, working conditions, resource efficiency, environmental impact, product development, strategic development.	• The Group's ZERO initiative for developing a health and safety culture. • Internal digital channels (intranet, electronic displays, social media and webinars). • The discussion tool "How do we act?" and training in SCA's Code of Conduct, anti-corruption and business conduct. • Participation in student fairs and partnerships with the educational sector. • SCA's podcast "Ingenjörspodden". • Introductory course for new employees, skills-enhancement activities, leadership training, Early career programs and internships. • Business development projects.
Investors	Investor meetings in conjunction with, for example, interim reports, capital market days, risk reports, the AGM, interviews, website.	Financial performance, market outlook, sustainability, areas of growth, renewable energy, degree of self-sufficiency, forest valuation, risk management, corporate governance.	• Annual General Meeting, April 4, 2025. • Investor visits to SCA's operations. • Regular investor and analyst meetings during the year. • Roadshows in conjunction with quarterly accounts. • Risk management as part of the Board of Directors' Report in the Annual Report.
Credit market, creditors and rating institutes	Regular meetings and presentations. Specific reporting in accordance with loan documentation and public reporting on our website.	Financial information, risk analyses, sustainability assessments, corporate governance.	• Continuous dialogue with commercial banks and other creditors. • Investor meetings in connection with major bond issues. • Periodic reports and certificates to all creditors. • Annual Green bond report. • Continuous dialogue and reports to rating institutes.
Suppliers	Follow-up meetings, request for tenders and procurements, interviews, website.	Health and safety, supplier audits, business conduct, human rights, energy consumption, resource efficiency, climate impact.	• SCA's Supplier Standard as part of contracts. • Supplier assessments and follow-up meetings. • Risk-based supplier audits performed on-site. • Training of procurement employees. • Assessing countries and suppliers from a sustainability perspective. • EcoVadis platform for evaluation and follow-up of suppliers. • Follow-up meetings with individual suppliers.
Private forest owners	Forest owner meetings, physical and virtual meetings, customer magazine, website, social media.	Long-term and sustainable forestry, generational renewal, management methods, forest management plans, ownership rights, forest management certification, nature conservation, profitability.	• Business contacts on an ongoing basis during the year. • Forest owner meetings and participation in trade fairs. • Collaboration with Skogscertifiering Prosilva AB (group certificate). • "Din Skog" customer magazine for forest owners.
NGOs	Meetings concerning specific issues, interviews, reporting to ecolabels and sustainability indexes, websites.	Forest management, biodiversity, climate and environmental topics, resource efficiency, green energy, human rights, hunting, reindeer herding.	• Dialogue with local, regional and national stakeholders. • Onsite visits to the Company's forests and dialogue with reference groups in conservation parks. • Memberships and involvement in organizations such as the Swedish Forest Industries Federation, the Confederation of European Paper Industries (CEPI), FSC and PEFC, Bioenergy Europe, Svebio and the Swedish Wind Energy Association. • Taking part in the development of ecolabels and standards related to forests and the forest industry, such as ISO 13391. • Collaboration with BirdLife Medelpad to restore wetlands and improve conditions for birds, such as Ural owls.
Political engagement and the community	Dialogue meetings, local events, public consultation, interviews, websites.	Occupational health and safety, environmental topics, local issues, renewable energy, reindeer herding, labor market, education, community engagement, diversity issues, human rights.	• Dialogues with regulators, government authorities, municipalities and lobbyists. • Consultation and dialogue about investments, permits, employment and other local issues. • Consultation meetings with local reindeer herders and residents living near to SCA's industrial sites and forests. • Dialogues with the Swedish Sami National Association, SSR, on the conditions for reindeer herding. • Board representation or participation in organizations for regional development, such as chambers of commerce and Junior Achievement Sweden in the northern counties. • Participation in Skogen i skolan and the development of Linnaeus University's forestry bachelor program in northern Sweden. • Supervisory and annual reporting to government authorities, including environmental reports.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

The Company's material impacts, risks and opportunities have been identified in a double materiality assessment. The table on the next page describes the Company's material impacts, risks and opportunities on people and the environment in its operations and value chain. The table provides an overview and each issue is described in more detail under the relevant topical standard. It also describes how the issues are being addressed and the actions taken. As 2025 is the first year that SCA reports a complete double materiality assessment, no change is reported in the assessment compared to the previous year. The analysis will be reviewed annually to update the assessment and evaluation of impacts, risks and opportunities.

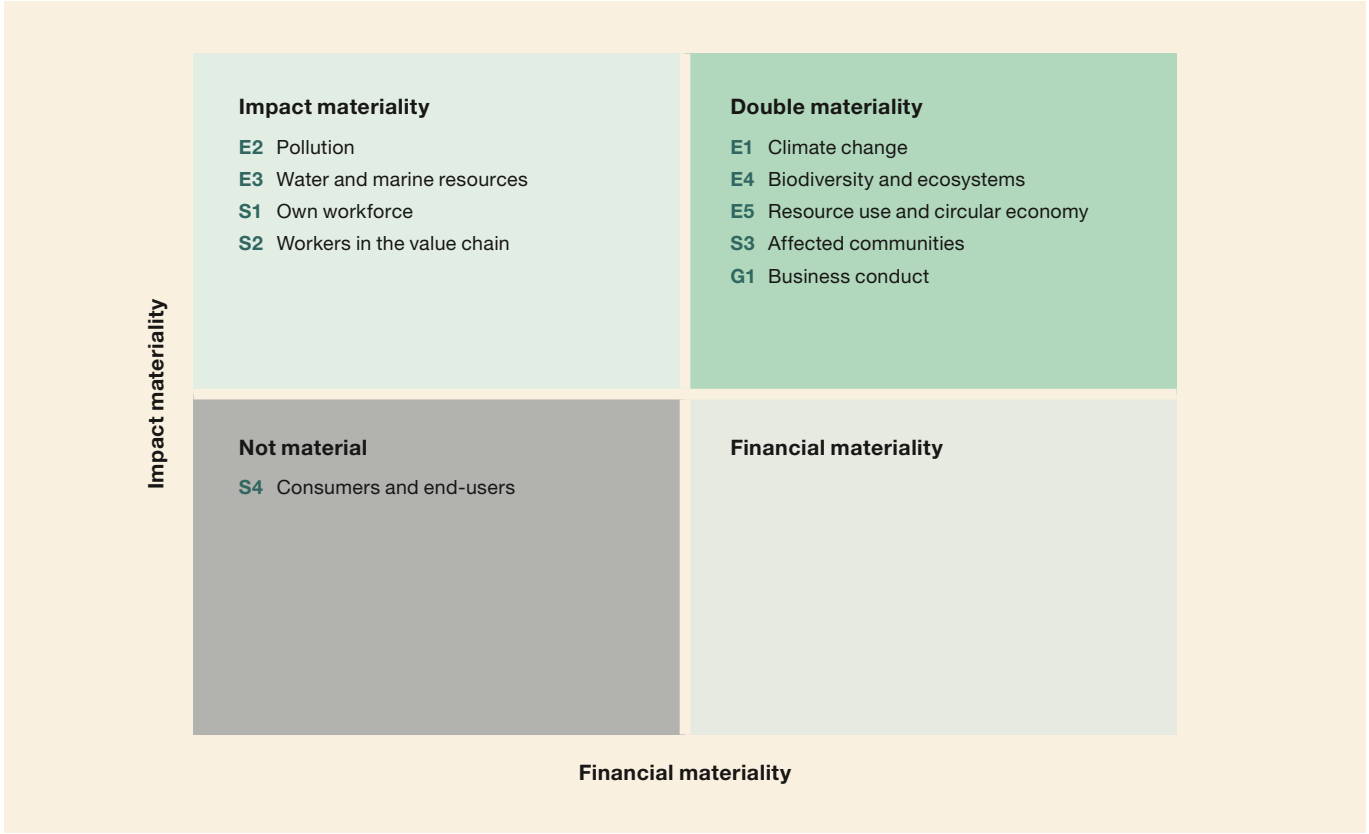
All material matters comply with disclosure requirements under the ESRS, as the Company has not identified any company-specific topics or sub-topics. The time horizon column indicates when a potential impact, risk or opportunity could occur, in the short, medium and long term, and an actual impact is referred to as an actual impact. Direct or indirect impact pertains to whether the Company has control and can influence the impact (direct) or whether this is beyond the Company's control (indirect).

The impact of risks and opportunities has been assessed as occurring only in the own value chain. In addition, the connection with or origin in the strategy and business model as well as direct or indirect impacts have not been assessed for these.

The transition to a circular society and efforts to combat climate change entail many opportunities for SCA, with its base in renewable raw materials from responsibly managed forests. The Company has effective control of the value chain, a high degree of self-sufficiency in critical raw materials and a potential in renewable energy. The main risks identified relate to political decisions on the ownership and use of the forest asset and therefore the availability and cost of wood raw material. The impacts of climate-related physical and chronic changes are at present not considered to pose a major risk. Currently, the Company sees no significant financial effects related to the identified impacts, risks and opportunities. Effects linked to sustainability matters, such as climate change, are taken into account in the valuation of the Company's assets and valuation of forest assets, and are relevant for the availability and terms for the Company's financing, see Note A1 in the financial statements.

SCA has assessed that the Company's business model has good resilience ahead of the transition to a more low-carbon economy and a circular society. SCA and other forest industries should be an important part of the solution by providing renewable products that enable a circular economy and the phasing out of fossil materials. The energy mix in Sweden, where the Company has its production, already has a very low share of fossil energy and the Company has already replaced nearly all fossil-based energy with renewables in own operations. The Company's production is based on renewable raw material, mainly from its own forest. The remaining volume of raw material comes mainly from the local area in northern Sweden, which offers the Company excellent control over sourcing external wood raw material. Wood raw material is the dominant resource used to manufacture the Company's products and the Company therefore has a low dependence on other raw materials for the manufacture of its products. The Company's industries form an industrial ecosystem close to its own forests and enable efficient utilization of the wood raw material. The assessment of the resilience of the business model was conducted in conjunction with an analysis of climate-related risks and opportunities and used the same time horizons, see the risk section of the Board of Directors' Report. The focus of the assessment of resilience was on the short and medium term. The main risks are currently considered to be related to political decisions on the ownership and use of forests and therefore the availability and cost of wood raw material. The resilience analysis was carried out as part of the scenario analysis for 2022, see the risk section of the Board of Directors' Report. The conclusions will be reviewed annually and updated when conditions change, based on the outcome of the double materiality assessment and the outcome of the Company's overall risk analysis as well as continuous external monitoring.

Reporting of materiality at topic level under the ESRS, based on SCA's double materiality assessment 2025



Material topic	Impacts, risks and opportunities on people or the environment	Material in the value chain	Origin in or connection with the strategy and business model	Time horizon			Direct or indirect impact
				Short	Medium	Long	
E1 Climate change							
Climate change mitigation	**Negative impact:** Direct and indirect emissions of greenhouse gases. SCA impacts the climate directly and indirectly through GHG emissions, with the main impact from Scope 3 emissions.	Entire value chain	Linked to strategy/ business model	Actual impact			Direct or indirect
	Positive impact: CO_2 removals by forest. SCA impacts the climate through sustainably managed forest assets that act as effective carbon sinks.	Operations	Origin in strategy/ business model	Actual impact			Direct
	Positive impact: Substitution of fossil materials for renewable products. SCA's products enable the avoidance of GHG emissions by replacing alternatives with a higher carbon footprint.	Downstream	Origin in strategy/ business model	●	●	●	Direct or indirect
	Opportunity: Increased demand for renewable products and a reduction in fossil fuels. SCA's products can contribute to the phase-out of fossil alternatives and enable customers to reduce their Scope 3 emissions.	Operations			●		
	Risk: Political decisions on forestry and climate charges. Political decisions may affect the management of SCA's own forests and the supply of raw material, which could increase costs and reduce climate benefit. Charges for fossil emissions can lead to increased costs.	Operations			●		
Energy	**Negative impact:** Energy consumption in SCA's industrial processes and transportation. SCA's industrial processes and transportation use large amounts of energy.	Entire value chain	Origin in strategy/ business model	Actual impact			Direct or indirect
	Positive impact: Production of renewable energy and renewable fuel. SCA produces significant amounts of renewable energy in the form of solid biofuels and renewable electricity.	Operations Downstream	Origin in strategy/ business model	Actual impact			Direct or indirect
Climate change adaptation	**Risk:** Climate change adaptation. Climate-related disruption in the form of individual events or chronic shifts.	Operations				●	
E2 Pollution							
Pollution of air	**Negative impact:** Emissions to air from industrial processes and transportation. The activities give rise to emissions of various air pollutants such as nitrogen oxides, sulfur dioxide, dust and volatile organic compounds (VOCs).	Operations	Linked to strategy/ business model	Actual impact			Direct or indirect
Pollution of water	**Negative impact:** Emissions to water linked to industrial processes. Discharge of process water containing oxygen-demanding substances (COD and BOD), organic substances and suspended solids.	Operations	Linked to strategy/ business model		●		Direct

> cont.

Material topic	Impacts, risks and opportunities on people or the environment	Material in the value chain	Origin in or connection with the strategy and business model	Time horizon			Direct or indirect impact
				Short	Medium	Long	
E3 Water and marine resources							
Water	**Negative impact:** Water use in SCA's operations and value chain. Water is used at several stages of the value chain, such as own production, forestry, the production of input goods and further processing of products.	Entire value chain	Origin in strategy/ business model		●	●	Direct or indirect
E4 Biodiversity and ecosystems							
Direct impact drivers of biodiversity loss	**Negative impact:** Impact from harvesting and impact on land from own forestry and purchased wood raw material. Large-scale forestry has a direct impact on biodiversity, such as through harvesting and the construction of forest roads.	Upstream Operations	Origin in strategy/ business model	Actual impact			Direct or indirect
Impacts and dependencies on ecosystem services	**Negative impact:** Changed forest conditions due to climate change or restrictions in land use due to increased demands for nature restoration could impact the supply of wood raw material. Active forest management involves land use that can impact the ability for ecosystems to provide ecosystem services.	Operations	Origin in strategy/ business model		●	●	Indirect
	Positive impact: SCA's ecologically adapted forest management. Ecological landscape planning with nature consideration and protection of particularly valuable environments can contribute to the conservation of biodiversity and ecosystem services.	Operations	Origin in strategy/ business model		●	●	Direct
	Risk: Loss of ecosystem services that impacts forest production capacity. Changed forest conditions due to climate change or restrictions in land use due to increased demands for nature restoration could impact the supply of raw material.	Operations				●	
	Opportunity: Business model based on renewable raw material. Increased demand for renewable materials from sustainable raw materials.	Operations		●	●	●	
Impacts on the state of species	**Negative impact:** Impacts on species due to large-scale forestry and changes to habitats. Forestry may affect species that depend on forest structures that are slowly created through natural processes and disturbances.	Operations	Origin in strategy/ business model			●	Direct
	Risk: Regulations linked to the protection of species. Political and official decisions to promote biodiversity can impact the supply of wood raw material and the establishment of new operations.	Operations			●		
E5 Resource use and circular economy							
Resources inflows, including resource use	**Negative impact:** Resource-intense inflows in SCA's production. SCA's industrial operations are dependent on raw materials, input goods, energy and consumables.	Upstream Operations	Origin in strategy/ business model	Actual impact			Direct or indirect
	Positive impact: Use of renewable and resource-efficient materials in SCA's production. The business model is based on renewable, bio-based forest raw material as the main raw material, which is sourced from forests with net growth where natural resources that are used for production are continuously recreated.	Operations Downstream	Linked to strategy/ business model	Actual impact			Direct

> cont.

Material topic	Impacts, risks and opportunities on people or the environment	Material in the value chain	Origin in or connection with the strategy and business model	Time horizon			Direct or indirect impact
				Short	Medium	Long	
Resource outflows related to products and services	**Negative impact:** Difficulties ensuring circularity in certain products and material flows. Despite an ambition to contribute to circular solutions and recyclable products, some end products are produced using composite materials, where circularity may be difficult to achieve.	Downstream	Linked to strategy/ business model	Actual impact			Indirect
	Positive impact: Long-lived and recyclable products in SCA's offering. Products used in long-lived structures that capture and store CO_2 over many years, or products designed for high recycling rates in established circular loops.	Operations	Origin in strategy/ business model		●	●	Indirect
	Opportunity: Increased demand for recyclable and circular product solutions. Enable recyclable design through renewable products and contribute to circularity by utilizing the entire tree and using by-products internally or externally.	Downstream			●		
Waste	**Negative impact:** Waste in SCA's operations. Waste is generated, such as in the form of ash, sludge and plastic waste from recovered fiber.	Operations	Linked to strategy/ business model	Actual impact			Direct
	Positive impact: Efficient waste management and reuse of residual products. Through reuse and energy recovery in residual flows, SCA helps to minimize waste, reduce climate impact and optimize resource use.	Operations	Linked to strategy/ business model		●	●	Direct
S1 Own workforce							
Equal treatment and opportunities for all	**Negative impact:** Lack of diversity in technical and operational roles (industry issue). Forestry and industrial operations have historically had a male-dominated occupational structure, which poses a risk of lower level of diversity and more difficult to attract broader groups in the labor market.	Operations	Linked to strategy/ business model		●		Indirect
Working conditions	**Negative impact:** Physical health and work-related accident risks. Work environment risks may impact health and safety, as workplace accidents and occupational diseases may occur despite high safety standards.	Operations	Linked to strategy/ business model	Actual impact			Indirect
	Positive impact: Corporate culture for well-being and sustainable performance. Work environment, leadership and goal focus received high ratings in SCA's All Employee Survey, which indicates an established culture that provides psychological security, clear goals and support from managers.	Operations	Linked to strategy/ business model	Actual impact			Direct
S2 Workers in the value chain							
Working conditions	**Negative impact:** Poor working conditions in the supply chain. SCA is dependent on an extensive supplier network. In these networks, insufficient control may lead to the risk of poor working conditions and employment terms.	Upstream	Linked to strategy/ business model	●	●	●	Indirect
Other work-related rights	**Negative impact:** Limited freedom of association and a lack of opportunity for dialogue in the supply chain or poor conditions for seasonal and migrant workers. There may be a risk of restrictions on the workers' rights at suppliers or contractors in the value chain, in particular for contingent labor or third-party contractors in highly exposed regions.	Upstream	Linked to strategy/ business model		●	●	Indirect

> cont.

Material topic	Impacts, risks and opportunities on people or the environment	Material in the value chain	Origin in or connection with the strategy and business model	Time horizon			Direct or indirect impact
				Short	Medium	Long	
S3 Affected communities							
Communities' economic, social and cultural rights	**Positive impact:** Participation in local employment and partnerships. SCA has a strong geographic presence in northern Sweden and supports local employment, infrastructure and economic development in regions where job opportunities are limited.	Operations	Linked to strategy/ business model		●	●	Indirect
	Risk: Political processes in local communities. Risk of missed business opportunities or extended project duration due to political processes in the local community.	Operations			●	●	
Rights of indigenous peoples	**Negative impact:** Conditions for reindeer herding in conjunction with land use in reindeer grazing areas. Forest operations, such as harvesting or the construction of wind power, may impact conditions for reindeer herding if insufficient consideration is given to the perspectives and needs of indigenous peoples.	Operations	Linked to strategy/ business model		●	●	Indirect
	Risk: Limited supply of raw materials or missed business opportunities. Risk of limitations in the supply of raw materials, production opportunities in SCA's own forests or missed business opportunities if projects cannot be carried out, for example when a consensus cannot be reached.	Operations		●	●	●	
	Opportunity: Participation, trust, coexistence. Good relationships and coexistence can contribute to responsible and long-term management of SCA's own forest and the supply of raw material.	Operations			●	●	
G1 Business conduct							
Corporate culture	**Negative impact:** Corporate culture and ethical standards. Flawed or inconsistent corporate culture may lead to behavior contrary to SCA's values and may impact decisions, the work environment and the Company's reputation.	Operations	Linked to strategy/ business model		●	●	Direct
	Risk: Impact on reputation from shortcomings in corporate culture and ethics. Risk of financial impact from shortcomings in the corporate culture through poor goal achievement and non-compliance with regulations.	Operations			●	●	
Management of relationships with suppliers including payment practices	**Negative impact:** Power imbalances in business relationships with small suppliers. SCA has an extensive network of small and mid-sized suppliers. A potential power imbalance exists in these relationships, which could create a dependency.	Operations	Linked to strategy/ business model	●	●	●	Indirect
Corruption and bribery	**Risk:** Corruption and bribery. Risk of financial effects and negative impact on reputation if corruption and bribery should occur in the operations or with business partners.	Upstream Operations			●		

IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

In 2025, SCA conducted a double materiality assessment to identify material sustainability-related impacts, risks and opportunities. The assessment was carried out with the support of an independent consulting company. The materiality assessment was based on the principle of double materiality, which takes into account both impact and financial materiality when determining material sustainability matters. According to this principle, a sustainability matter is considered material from one or both of the following perspectives:

- Impact materiality: SCA and its value chain's impact on people and/or the environment.
- Financial materiality: Sustainability matters that could impact the Company's cash flows, performance, earnings, position, cost of capital or access to financing. This also includes dependencies on resources such as natural resources.

SCA's approach to the double materiality assessment follows an established process that is described below. The assessment forms the basis of SCA's sustainability reporting for 2025. The assessment will be reviewed annually to update the assessment and evaluation of impacts, risks and opportunities.

Identification of sustainability matters (gross list)
Based on a gross list of topics, including sub-topics and sub-sub-topics, according to ESRS 1 General requirements, an initial mapping was carried out for each topic in relation to the Company and its value chain. The initial assessment examined the operations, geographical location (market), industry and value chain. To ensure completeness, insights were validated by internal experts within the Group. The assessment included both actual and potential impacts, risks and opportunities with both short and long-term horizons. In addition, a review was conducted of sustainability matters not covered by the ESRS but that could potentially be material to SCA. No additional sustainability matters were identified in addition to the gross list in ESRS 1. SCA has therefore no material company-specific topics or sub-topics to report in 2025.

Assessment of sustainability matters and stakeholder insights
On the basis of the initial assessment, a more comprehensive evaluation was performed that focused on SCA's positive and negative impact areas and financial risks and opportunities. This entailed a systematic review of each step of the value chain and included insights from several sources, including internal documentation such as annual reports, policies and internal instructions, contract templates, evaluations of environmental aspects and the All Employee Survey. External sources in the form of articles and indexes were also used in the process. Working meetings were held with employees and internal experts from different parts of operations. Interviews were conducted with several external stakeholder groups, such as the credit market, investors, customers, suppliers, private forest owners, NGOs and representatives from politics and the public sector.

Assessment of impact materiality
After mapping the positive and negative, actual and potential impact drivers that SCA has or could have on people and the environment in the short, medium and long term, these drivers were assessed and measured on the basis of materiality.

Negative impacts were assessed based on severity and likelihood. Severity included a combination of scale (level of impact), scope (how many/large an area impacted) and irremediable character. Positive impacts were assessed on the basis of scale, scope and likelihood. The assessment used time horizons in the short term (≤1 year), medium term (1–5 years) and long term (>5 years).

Each impact was assessed as positive/negative and actual/potential based on severity combined with likelihood. Each of the three parts in the severity measurement was assessed using a five-point scale, with 5 being the highest impact and 1 being very low impact. The level of severity was then combined and weighted based on a five-point scale, with 5 being the highest impact and 1 being very low impact. Likelihood was assessed on a six-point scale, where the highest level was actual impact and potential impact was assessed from rare to almost certain. An inclined threshold line reflecting the combination of severity and likelihood was used to assess whether or not the impact was material. All sustainability matters with a severity of ≥4 were considered material regardless of their likelihood, while lower severity together with a high likelihood was also considered material. A lower threshold was applied when there was a risk of negative impacts on human rights in accordance with the requirements of the ESRS. The choice of threshold was based on best practice.

Assessment of financial materiality
After mapping the risks and opportunities caused, or that could be caused, by the sustainability matters identified, an assessment was made based on the potential financial impact on the Company and the likelihood of its occurrence. Risks identified in the Company's risk management process were also included in the assessment. The assessment used a qualitative five-point scale from the highest possible impact to low impact. The likelihood was assessed on a five-point scale from the highest level (almost certain) to the lowest level (rare). An inclined threshold line was also used for financial impact, combining financial effect and probability, to determine whether the risk or opportunity was material to the Company. Thresholds have been set using best practices and through internal dialogue that took into account assessment criteria from the Company's risk management process.

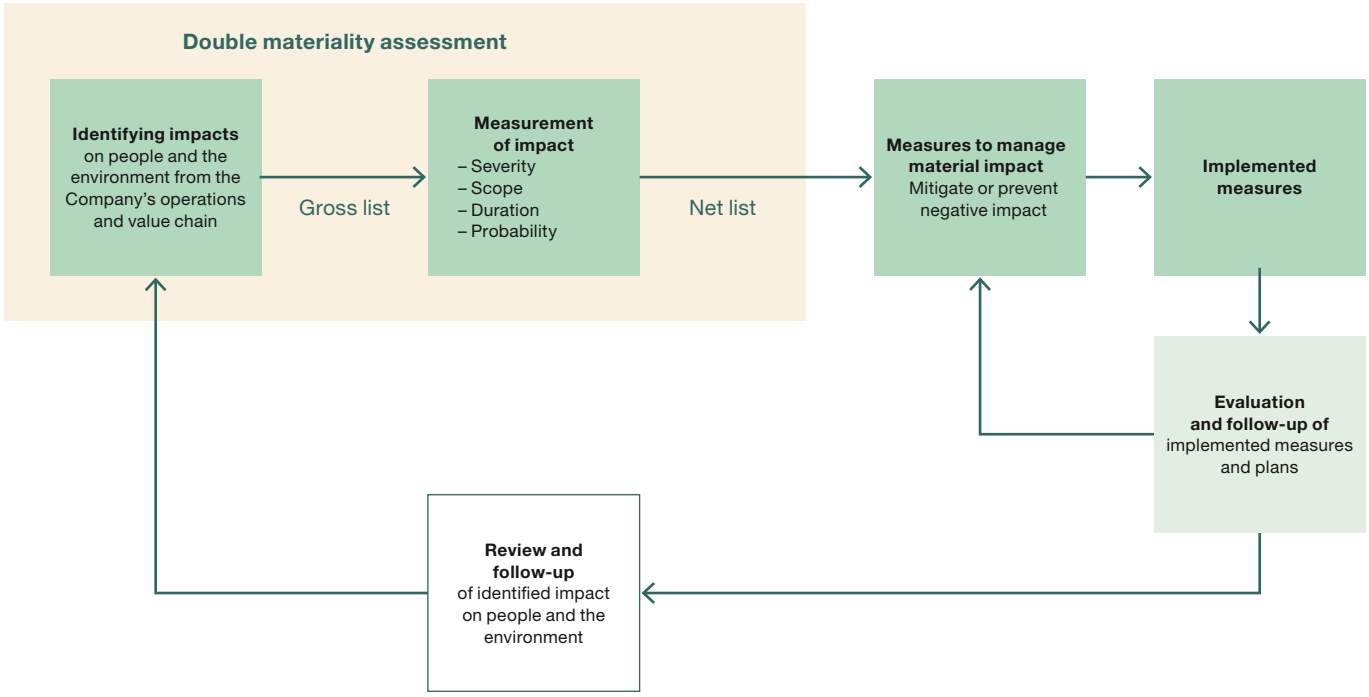
Validation and approval of material sustainability matters
The preliminary results of the double materiality assessment were presented for internal stakeholders to validate the assessment of materiality. Following validation meetings, the preliminary results of the double materiality assessment were shared with and endorsed by SCA's Sustainability Council, Executive Management and the Audit Committee before being approved by the Board. The outcome is presented in the illustration below and in section SBM-3.

Internal control
The double materiality assessment is updated annually. This work also includes a review of the process itself to ensure its effectiveness. Control measures linked to the process for the double materiality assessment are part of the Company's internal control framework. Given that the first complete double materiality assessment was performed in 2025, internal controls will be updated with relevant control points.

Process for managing negative impacts (due diligence)
For negative impacts classified as material in the double materiality assessment, appropriate measures are identified to eliminate the impact, prevent its occurrence or minimize the effect of the impact. Relevant stakeholders are involved in preparing actions and follow-up of these. Stakeholders are informed in various ways about the results of the actions taken.

The impact of actions taken or the implementation of planned actions is followed up at the relevant level in the Company and communicated with relevant stakeholders as appropriate. Changes in the Company's overall negative impact are normally communicated through the Group's Annual Report. Where there is a local impact, communication may take place at consultation meetings or similar.

Process for identifying and managing negative impacts (due diligence)



IRO-2: Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement

The following is a content index with a list of disclosure requirements presented in the Sustainability Statement. The disclosure requirements are based on the results of SCA's double materiality assessment for 2025. Consumers and end-users (ESRS S4), was considered in the assessment as not material and was therefore excluded from the index. The Company has chosen to use certain phase-in rules. This is indicated with "Phase-in" in the index.

List of disclosures presented

ESRS		Page
ESRS 2	**General disclosures**	
BP-1	General basis for preparation of the Sustainability Statement	97
BP-2	Disclosures in relation to specific circumstances	97
GOV-1	The role of the administrative, management and supervisory bodies	99
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	100
GOV-3	Integration of sustainability-related performance in incentive schemes	101
GOV-4	Statement on due diligence	101
GOV-5	Risk management and internal controls over sustainability reporting	102
SBM-1	Strategy, business model and value chain	103
SBM-2	Interests and views of stakeholders	108
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	110
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	115
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement	117
ESRS E1	**Climate change**	
E1 GOV-3	Integration of sustainability-related performance in incentive schemes	121
E1-1	Transition plan for climate change mitigation	121
E1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	121
E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	122
E1-2	Policies related to climate change mitigation and adaptation	122
E1-3	Actions and resources in relation to climate change policies	122
E1-4	Targets related to climate change mitigation and adaptation	123
E1-5	Energy consumption and mix	125
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	125
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	128
E1-8	Internal carbon pricing	128
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in

ESRS		Page
ESRS E2	**Pollution**	
E2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	133
E2-1	Policies related to pollution	133
E2-2	Actions and resources related to pollution	133
E2-3	Targets related to pollution	134
E2-4	Pollution of air, water and soil	134
E2-5	Substances of concern and substances of very high concern	Not material
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Phase-in
ESRS E3	**Water and marine resources**	
E3 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	135
E3-1	Policies related to water and marine resources	136
E3-2	Actions and resources related to water and marine resources	136
E3-3	Targets related to water and marine resources	136
E3-4	Water consumption	137
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Phase-in
ESRS E4	**Biodiversity and ecosystems**	
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	138
E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	138
E4 IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	139
E4-2	Policies related to biodiversity and ecosystems	140
E4-3	Actions and resources related to biodiversity and ecosystems	140
E4-4	Targets related to biodiversity and ecosystems	144
E4-5	Impact metrics related to biodiversity and ecosystems change	145
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	Phase-in

> cont.

ESRS		Page
ESRS E5	**Resource use and circular economy**	
E5 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	146
E5-1	Policies related to resource use and circular economy	146
E5-2	Actions and resources related to resource use and circular economy	147
E5-3	Targets related to resource use and circular economy	147
E5-4	Resource inflows	147
E5-5	Resource outflows	148
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in
ESRS S1	**Own workforce**	
S1 SBM-2	Interests and views of stakeholders	149
S1 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	149
S1-1	Policies related to own workforce	149
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	150
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	150
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	151
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	152
S1-6	Characteristics of the undertaking's employees	152
S1-7	Characteristics of non-employees in the undertaking's own workforce	153
S1-8	Collective bargaining coverage and social dialogue	153
S1-9	Diversity metrics	153
S1-10	Adequate wages	153
S1-11	Social protection	153
S1-12	Persons with disabilities	Not material
S1-13	Training and skills development metrics	153
S1-14	Health and safety metrics	154
S1-15	Work-life balance metrics	154
S1-16	Remuneration metrics (pay gap and total remuneration)	154
S1-17	Incidents, complaints and severe human rights impacts	154

ESRS		Page
ESRS S2	**Workers in the value chain**	
S2	General information under phase-in requirements	155
S2 SBM-2	Interests and views of stakeholders	Phase-in
S2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Phase-in
S2-1	Policies related to value chain workers	Phase-in
S2-2	Processes for engaging with value chain workers about impacts	Phase-in
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Phase-in
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Phase-in
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in
ESRS S3	**Affected communities**	
S3	General information under phase-in requirements	157
S3 SBM-2	Interests and views of stakeholders	Phase-in
S3 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Phase-in
S3-1	Policies related to affected communities	Phase-in
S3-2	Processes for engaging with affected communities about impacts	Phase-in
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	Phase-in
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	Phase-in
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phase-in
ESRS G1	**Business conduct**	
G1 GOV-1	The role of the administrative, supervisory and management bodies	159
G1 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	160
G1-1	Business conduct policies and corporate culture	161
G1-2	Management of relationships with suppliers	161
G1-3	Prevention and detection of corruption and bribery	162
G1-4	Incidents of corruption or bribery	163
G1-5	Political influence and lobbying activities	Not material
G1-6	Payment practices	163

Disclosure requirements in ESRS covered by other legislation

The list below is of datapoints in cross-cutting and topical standards that derive from other EU legislation.

Disclosure Requirements/Title	ESRS	Datapoint	Page	Legislation[1)]
General information				
Board of Directors' gender diversity	GOV-1	21d	99	SFDR, BR
Percentage of Board members who are independent	GOV-1	21e	99	BR
Statement on due diligence	GOV-4	30	101	SFDR
Involvement in activities related to fossil fuel activities	SBM-1	40d i	103	SFDR, P3, BR
Involvement in activities related to chemical production, controversial weapons, and production of tobacco	SBM-1	40d ii–iv	Not material	SFDR, BR
Climate change				
Transition plan to reach climate neutrality by 2050	E1-1	14	121	EUCL
Undertakings excluded from Paris-aligned Benchmarks	E1-1	16 g	Not material	P3, BR
GHG emission reduction targets	E1-4	34	123	SFDR, P3, BR
Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	E1-5	38	125	SFDR
Energy consumption and mix	E1-5	37	125	SFDR
Energy intensity associated with activities in high climate impact sectors	E1-5	40–43	125	SFDR
Gross Scope 1, 2, 3 and Total GHG emissions	E1-6	44	125	SFDR, P3, BR
Gross GHG emissions intensity	E1-6	53–55	125	SFDR, P3, BR
GHG removals and carbon credits	E1-7	56	128	EUCL
Exposure of the benchmark portfolio to climate-related physical risks	E1-9	66	Not material	BR
Disaggregation of monetary amounts by acute and chronic physical risk	E1-9	66 a	Not material	P3
Location of significant assets at material physical risk	E1-9	66 c	Not material	P3
Breakdown of the carrying value of its real estate assets by energy-efficiency classes	E1-9	67 c	Not material	P3
Degree of exposure of the portfolio to climate-related opportunities	E1-9	69	Not material	BR
Pollution				
Release and transfer emitted to air, water and soil	E2-4	28	134	SFDR
Water and marine resources				
Water and marine resources, specific approach	E3-1, E3-4	9, 13	136, 137	SFDR
Sustainable oceans and seas	E3-1	14	Not material	SFDR
Total water recycled and reused, total water consumption in m^3 per net revenue on own operations	E3-4	28c, 29	137	SFDR
Biodiversity and ecosystems				
Activities in biodiversity sensitive area and operations that affect threatened species	E4 IRO-1	16a, c	139	SFDR
Impacts linked to land degradation, desertification or soil sealing Land degradation refers to the land's ability to provide ecosystem services.	E4 IRO-1	16b	Not material	SFDR
Sustainable land / agriculture practices or policies to address deforestation	E4-2	24b, d	140	SFDR
Sustainable oceans / seas practices or policies	E4-2	24c	Not material	SFDR
Resource use and circular economy				
Non-recycled waste	E5-5	37d	148	SFDR
Hazardous waste and radioactive waste	E5-5	39	148	SFDR

[1)] SFDR = Sustainable Finance Disclosure Regulation
P3 = Pillar 3
BR = Benchmark Regulation
EUCL = European Climate Law

> cont.

Disclosure Requirements/Title	ESRS	Datapoint	Page	Legislation[1)]
Own workforce				
Risk of incidents of child labor or forced labor	S1 SBM-3	14g, 14f	Not material	SFDR
Human rights policy commitments	S1-1	20	149	SFDR
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	S1-1	21	149	BR
Processes and measures for preventing trafficking in human beings	S1-1	22	Not material	SFDR
Workplace accident prevention policy or management system	S1-1	23	149	SFDR
Grievance/complaints handling mechanisms	S1-3	32c	150	SFDR
Number of fatalities and number and rate of work-related accidents	S1-14	88b–c	154	SFDR, BR
Number of days lost to injuries, accidents, fatalities or illness	S1-14	88e	154	SFDR
Unadjusted gender pay gap	S1-16	97a	154	SFDR, BR
Excessive CEO pay ratio	S1-16	97b	154	SFDR
Incidents of discrimination	S1-17	103a	154	SFDR
Non-respect of UNGPs on Business and Human Rights and OECD guidelines	S1-17	104a	154	SFDR, BR
Workers in the value chain				
Significant risk of child labor or forced labor in the value chain	S2 SBM-3	11 b	Phase-in	SFDR
Human rights policy commitments	S2-1	17	Phase-in	SFDR
Policies related to value chain workers	S2-1	18	Phase-in	SFDR
Non-respect of UNGPs on Business and Human Rights and OECD guidelines	S2-1	19	Phase-in	SFDR, BR
Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	S2-1	19	Phase-in	SFDR
Human rights issues and incidents connected to its upstream and downstream value chain	S2-4	36	Phase-in	SFDR
Affected communities				
Human rights policy commitments	S3-1	16	Phase-in	SFDR
Non-respect of UNGPs on Business and Human Rights and OECD guidelines	S3-1	17	Phase-in	SFDR, BR
Human rights issues and incidents	S3-4	36	Phase-in	SFDR
Consumers and end-users				
Policies related to consumers and end-users	S4-1	16	Not material	SFDR
Non-respect of UNGPs on Business and Human Rights and OECD guidelines	S4-2	17	Not material	SFDR, BR
Human rights issues and incidents	S4-4	35	Not material	SFDR
Business conduct				
United Nations Convention against Corruption	G1-1	10b	161	SFDR
Protection of whistleblowers	G1-1	10d	161	SFDR
Fines for violation of anti-corruption and anti-bribery laws	G1-4	24a	163	SFDR, BR
Standards of anti-corruption and anti-bribery	G1-4	24b	163	SFDR

[1)] SFDR = Sustainable Finance Disclosure Regulation
P3 = Pillar 3
BR = Benchmark Regulation
EUCL = European Climate Law

Environmental information

ESRS E1 – Climate change

E1 GOV-3: Integration of sustainability-related performance in incentive schemes

The incentive program (the LTI program) for senior executives includes performance criteria in the form of a financial target and a sustainability target. In the current program, the sustainability target is the climate benefit delivered, measured in million t CO_2e. SCA's climate benefit summarizes the Company's contribution to mitigating global warming and includes the climate effect of its own forest's net uptake of CO_2e, the contribution of its products to the climate transition and fossil CO_2e emissions in the value chain. The target of halving fossil emissions by 2030 compared with the base year 2019, which is the same as the GHG emission reduction target in section E1-4, is a subset of the climate benefit target. The climate target – climate benefit – accounts for 10% of the incentive program. Refer also to General information GOV-3 and Note C3 in the financial statements.

E1-1: Transition plan for climate change mitigation

The Company's operations have a positive impact on climate change mitigation as its growing forests absorb large amounts of carbon dioxide from the atmosphere and harvested, renewable raw materials help to phase out products made from fossil carbon. The net uptake of CO_2 in the growing forests alone is several times greater than the total fossil emissions from the value chain.

One overall objective is to deliver an annual climate benefit exceeding 10 million t CO_2e. This includes an interim target to reduce fossil emissions in the value chain by 50% by 2030, with 2019 as the base year. The long-term ambition is an entirely fossil-free value chain. The interim target for emissions reduction was prepared in line with the science-based reduction trajectories published on the Science Based Targets' website when the target was formulated in 2020. The comparison and the targets set were designed to ensure that the interim target is aligned with the Paris Agreement's 1.5°C target.

Fossil emissions from the value chain have negative impacts and contribute to climate change. The single largest source of fossil emissions is transportation and the Company is dependent on technology development and competitive alternative fuels if it is to reduce these emissions. The Company is working together with vehicle manufacturers and industry associations to develop electric trucks for timber transport and other applications. In 2024, SCA's second electric truck was put into operation, which was also the first timber truck in the world that collects roundwood in the forest using its own crane.

In addition to reducing emissions from transportation, the Company is striving to eliminate the use of fossil oil in industrial operations and to reduce fossil emissions from the manufacture of input goods. SCA has been working for several years to replace fossil oil with renewable energy and industrial operations are now almost entirely fossil-free. A number of investments have been undertaken, such as replacing the lime kilns at the Group's pulp mills.

In line with the strategy, the Company and its business partners have invested in a biorefinery to produce liquid biofuels and several business partners have invested in renewable electricity generation from wind power. The Company continuously works on initiatives to reduce remaining fossil emissions and to continuously apply new, long-term competitive solutions.

In 2025, the Company performed a major review of possible initiatives to reduce fossil emissions in the value chain. These were summarized in a transition plan based on several significant assumptions, such as continued access to competitive renewable fuels and technologies, particularly in the transportation sector. The plan is conditional upon continued technological progress in the transportation sector and the Company's access to renewable energy for its own operations and for manufacturing input chemicals. The main components of the transition plan are electrification; transition to solid biofuels; optimization of maritime traffic in terms of load efficiency, route planning and optimization of fuel consumption; energy optimization in industrial operations; and reduced emissions from manufacturing input goods.

There is uncertainty about the time horizon and how new technologies in the transport sector will be developed and become available and when fossil-free energy will be available across the value chain. Therefore, the transition plan currently includes an unspecified component that is required to reach the target of halving fossil emissions by 2030. Other important uncertainty parameters include political decisions and rules, such as the reduction obligation and access to reliable infrastructure. These factors combine to make it complex to estimate and quantify costs and thereby present a complete transition plan according to the criteria specified in ESRS.

At present, the Company has not identified significant locked-in effects in terms of capital-intensive investments, long-term contracts or dependence on outdated technology.

E1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Climate change is one of the most significant challenges facing the world today. In 2025, SCA conducted a double materiality assessment to identify material impacts, risks and opportunities for SCA's operations and value chain related to climate change, refer to General information SBM-3. Insights were obtained from internal experts and external stakeholders in order to identify material impacts, risks and opportunities. Information was gathered from workshops, literature studies and supplier surveys, as well as dialogues with customers, suppliers and the credit market. The scenario analysis carried out, see section E1 IRO-1, was used as supporting data for the double materiality assessment. The double materiality assessment identified the following material impacts, risks and opportunities.

Climate change mitigation
SCA's forests make a positive contribution to combatting climate change as well-managed and responsible forestry yields net growth in the forest each year. The forest holding shows a steady increase in carbon storage as annual growth exceeds harvesting and natural losses. This has been identified as an actual positive impact.

The Company's products are based on renewable raw material and have a small carbon footprint. The products enable fossil emissions to be avoided as they can replace fossil-based products. This is considered a potential positive impact as the substitution is realized downstream of the Company's own operations. This impact is already being realized and is expected to remain relevant over time.

Direct and indirect fossil emissions in our own operations and in other parts of the value chain increase greenhouse gases in the atmosphere. This has been considered as an actual negative impact.

The material risks identified include transition risks in the form of political decisions linked to forestry and possible carbon taxes.

Material opportunities have been identified linked to the Company's products, with demand for renewable and fossil-free alternatives expected to increase over time.

Energy
SCA's operations use large amounts of energy for industrial activities and for transportation at various stages of the value chain. Even if the energy used today is largely renewable, this has been considered a material negative impact.

SCA generates significant amounts of renewable energy in the form of solid biofuels and renewable electricity for external sales and internal use. The Company is also part-owner of a biorefinery that produces renewable fuels. The large amount of renewable energy produced has been considered an actual positive impact.

Identified opportunities and risks have been included in the report under Climate change mitigation above.

Climate change adaptation
The double materiality assessment identified no material impacts, risks or opportunities linked to climate change adaptation. Nevertheless, the Company has chosen to report risks linked to climate change as material, as it is difficult to anticipate how conditions for forestry will be affected in the long term. SCA is participating in several research projects and evaluates new methods and seedling material adapted for a warmer climate.

Business model's resilience
Climate change will likely impact forest management and conditions in various ways, with some of these effects counteracting others. A greater risk of extreme weather, such as storms, may cause trees to blow down, though this usually leads to a temporary increase in the supply of wood raw material. Longer periods of drought may have a negative impact on forest growth, but a warmer climate will probably entail a longer growing season and therefore higher growth while a warmer climate increases the risk of pest infestations such as fungi and insects.

SCA has assessed that the Company's business model has good resilience ahead of the transition to a more low-carbon economy. SCA and other forest industries should be an important part of the solution by providing products that enable a circular economy and the phasing out of fossil materials. The energy mix in Sweden, where the Company has its production, already has a very low share of fossil energy and the Company has already replaced nearly all fossil-based energy with renewables. The Company's production is based on renewable raw material, mainly from its own forest. The assessment of the resilience of the business model was conducted in conjunction with an analysis of climate-related risks and opportunities and used the same time horizons, see the risk section of the Board of Directors' Report. The focus of the assessment of resilience was on the short and medium term. The assessment has focused on own operations, upstream raw material sourcing and downstream logistics to customers. The main risks are currently considered to be political decisions, which are also difficult to predict and evaluate, refer also to the risk section of the Board of Directors' Report. The resilience analysis was carried out as part of the scenario analysis for 2022. The conclusions will be reviewed annually and updated when conditions change.

E1 IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities

SCA has used a scenario analysis to identify and assess climate-related impacts, risks and opportunities, and any need to adapt its operations or facilities to a changing climate. The scenario analysis was based on two different scenarios: one with a higher and one with a lower temperature increase, with achievement of the 1.5°C target in the latter scenario. Details and assumptions for the scenarios used and conclusions are described in the risk section in the Board of Directors' Report. The risks have been analyzed and assessed on the basis of three different time horizons, with the short term covering ≤1 year, the medium term 1–5 years and the long term >5 years. For the analysis, the Company has drawn on various sources, including literature, consultancy services, internal experts and external stakeholders. Assessing longer-term risks is complex as there are many uncertainties about how the weather and climate will develop, in addition to a high degree of dependence on the political decisions that will be taken.

The scenario analysis was carried out in 2022 and has been reviewed annually as needed and updated based on new information. The analysis was used as supporting data for the double materiality assessment and also to identify opportunities for the Company and to assess the resilience of the business model. The analysis is part of the Company's risk management process and is presented in the risk section in the Board of Directors' Report. The analysis used two scenarios, one in line with the Paris Agreement's 1.5°C target and one with a larger increase in global average temperature. The analysis included physical and transition risks.

The climate-related risks deemed to have the largest potential impact on the Company in the short and medium term are transition risks resulting from political processes and difficult-to-predict permit processes. Political decisions that, for example, would require more forest land to be excluded from active forest management to benefit biodiversity or to contribute to the national LULUCF target, or that otherwise limit the Company's ability to use and manage its own forests, could affect the uptake of carbon dioxide in the Company's forests as well as access to, and the cost of, wood raw material. Taxes and fees on emissions could increase the Company's costs but also provide opportunities for its products. Difficult-to-predict permit processes can result in the delay or cancellation of investment decisions.

In the medium to long term, physical risks have also been identified and are mainly considered to potentially impact forest conditions. Acute risks have been identified in the form of more extreme weather conditions, such as storms and chronic changes such as longer droughts and warmer and wetter winters. Climate change may also increase the risk of major insect and fungal damage. A warmer climate could also mean a longer growing season and therefore higher forest growth. SCA is participating in a number of research projects to increase knowledge about how and when conditions may change and how to manage this in the best way. These include changes in forest management methods, choice of tree species when planting and greater diversity of species in forests. Another area is knowledge about pests and fungi and the best way to handle these.

In the longer term, the pace of development of new technologies, both availability and cost-effectiveness, has also been identified and may affect the pace of transition to a fossil-free society.

The scenario analysis has also revealed opportunities for the Company. The Company's products, which are based on renewable raw materials from responsibly managed forests, are expected to grow and new uses can enable new business opportunities. The possible financial effects arising from climate-related risks and opportunities are taken into account in the valuation of assets, and are relevant for the availability and terms for the Company's financing, see Note A1 in the financial statements.

Currently, no need has been identified to adapt the Company's sites to a changing climate. A sharp increase in freshwater supply temperatures could lead to an increased need for cooling capacity during warm seasons. The Company's coastal sites are located in areas with substantial land elevation, which is deemed to mitigate any rise in sea levels and is therefore not considered a material risk. The Company includes climate risks when assessing the value of non-current assets. Currently, the risk of stranded assets is considered low. The possible need to adapt to climate change in the value chain outside the Company's direct control has not yet been analyzed in detail.

E1-2: Policies related to climate change mitigation and adaptation

SCA's Sustainability Policy, combined with the set targets, forms the basis for the Company's climate work. The Policy covers areas such as climate change mitigation, reducing fossil emissions, minimizing negative impacts and increasing resource and energy efficiency. The Sustainability Policy does not explicitly address the use of renewable energy, since the Company has already eliminated nearly all fossil energy in its own operations except for transportation fuel. The Policy is complemented by a number of instructions that regulate the Company's work in more detail.

The Policy also describes the process for identifying, assessing and managing negative impacts, which is described in more detail in General information IRO-1.

The Policy is adopted by the Board of Directors, while the Senior Vice President Sustainability and Communications is accountable for its implementation. The Policy applies to the entire SCA Group and is available publicly on sca.com. The work is followed up at Group level by SCA's Sustainability Council, which reports to Executive Management and to the Board of Directors.

SCA's Supplier Standard describes the requirements that the Company places on its suppliers, such as minimizing climate impact.

Climate-related risks are part of SCA's Group-wide process for identifying and managing risks, as described in the Company's Risk Management and Internal Control Policy, and in the risk section of the Board of Directors' Report. Identifying and developing opportunities is part of the Company's strategy process.

E1-3: Actions and resources in relation to climate change policies

SCA is committed to limiting global warming and is actively working to increase the Company's contribution by using the forest as a base to reduce society's dependence on fossil material and fossil energy. This work also includes reducing fossil emissions in our own operations and in other parts of the value chain.

To enable the monitoring and evaluation of activities, data is collected using system support such as the Group's accounting system and SCA's environmental and resource management system (RMS). In some cases, assumptions and conversion factors may be required for calculations, which introduces a source of uncertainty. SCA strives to obtain data that is as reliable as possible. The RMS system collects data on how the Company uses energy, water, transport and raw materials and generates

waste and emissions. The conversion factors used are obtained from suppliers or from literature. RMS data is reported at unit level using direct measurements, inventories and invoice data. When measuring, analyzing and reporting emissions of CO_2 and other greenhouse gases, SCA uses the global Greenhouse Gas Protocol standard (GHG protocol). Fossil GHG emissions are expressed in carbon dioxide equivalents (CO_2e). For other environmental data, SCA applies recognized measurement and calculation standards, including the Swedish Standards Institute, the Swedish Environmental Protection Agency and factors from the Association of Issuing Bodies (AIB). Emissions and energy consumption from transportation are calculated based on the total transport work performed per mode of transport for delivered products, raw materials and input goods. Emissions are calculated by multiplying transport work performed per transport mode (expressed as tonne kilometers) by representative emission factors and energy content for the different modes of transportation and fuels used.

The Company's actions can be divided into three areas: increased climate benefit, reduction of fossil emissions and increased energy optimization. The actions primarily cover the Company's own operations, but the reduction in fossil emissions also includes actions in the value chain.

Increased climate benefit

The Company's strategy and business model are built around its own forest holdings. Value creation is based on responsible and active forest management, where growing trees absorb CO_2 from the atmosphere and convert it into biomass. The Company's forest management promotes growth while preserving biodiversity and other forest values. Products are manufactured from harvested trees that can enable the phasing out of fossil materials and fossil energy, which is measured as the potential for avoided fossil emissions. The products also store carbon during their lifecycle. Through innovation and collaboration, application areas are developed for the Company's products to further increase climate benefit. By increasing the climate benefit, the Company can contribute to the transition of society to a circular economy where dependence on fossil carbon is phased out. In 2025, the Company continued to invest in its own forests in the Baltic region, completed investments in wind power production and invested in electricity storage.

Reduction in fossil emissions

Through systematic efforts, investments, efficiency improvements and a transition to solid biofuels, emissions from the Company's industries have decreased and are now almost entirely fossil-free. The largest single source of fossil emissions is transportation. To reduce emissions, the Company is endeavoring to choose modes of transport with a low environmental impact, optimize transportation and use various technologies to reduce fuel consumption. The Company is taking part in development projects to create new transport alternatives. The world's first electric timber truck has been transporting raw materials to the Company's kraftliner plant in Obbola, near Umeå, and from a nearby timber terminal since 2022. In 2024, a further step was taken in the collaborative project Transition to efficient, electrified forestry transport (TREE), when SCA enabled a local haulage Company in Västernorrland to own a new and groundbreaking electric timber truck. The new electric timber truck is equipped with a crane to load timber in the forest and transport it to a timber terminal. Fossil emissions are expected to decrease by 170 t CO_2e per year. It is the first electrified timber truck in the world to be fitted with this equipment and evaluation in day-to-day forest management continued during the year. The aim of the TREE project is to help ensure that 50% of the forestry sector's new truck purchases are electric by 2030. It is part of the Swedish forest industry's joint future agenda that aims to achieve fossil-free transportation by 2040. The tests with the electric timber trucks are yielding valuable knowledge for ongoing efforts to reduce fossil emissions from transportation.

Another example is investments in biofuel-fired lime kilns in previous years, with all three of the Company's kraft pulp mills having now replaced their oil-fired kilns. During the year, a new bark press was commissioned to increase the dry content of the bark and reduce the need for fuel to dry the bark to a combustible moisture content in the mill's steam boiler. The energy savings come from both fossil oil and solid biofuel. The project has saved the equivalent of almost 120 GWh in energy and reduced the corresponding need for oil by approximately 8,300 t CO_2e per year, of which 7,100 t CO_2e in Scope 1. If all the fuel had been oil, the savings would have been equivalent to approximately 36,000 t CO_2e per year, of which approximately 33,300 in Scope 1.

The Company is continuing to find alternatives for its remaining fossil fuels. In most cases, this work requires investments. Apart from operating costs and investments already made, the Company has not incurred any significant additional costs in 2025. For 2025, there is no link between measures to reduce fossil emissions and the Company's reporting under the EU Taxonomy Regulation.

A large part of the Company's transport operations is carried out by ship. For the Company's own vessels, emissions have been reduced through the use of variable frequency drives, hull treatment, optimizing transport routes and eco-driving. Access to fossil-free technologies is still limited for shipping. The Company is actively working to maximize the share of rail traffic in Sweden and is dependent on reliable infrastructure in this work.

A third area is the production of input goods, such as various chemicals, where the Company is dependent on suppliers' efforts to reduce the fossil footprint.

Energy efficiency – ESAVE

The Company is actively striving to increase energy efficiency. In addition to reducing emissions and costs, this work also helps to increase the Company's energy surplus, which can then be sold and replace fossil energy.

For a number of years now, SCA has pursued the Energy Savings and Efficiency (ESAVE) program. The program has a five-year cycle and a new target ambition is being drafted for the next five-year period. The target for the current 2020–2025 program period is energy-saving measures of at least 35 GWh per year. An ESAVE network has been established in the Group and includes energy audits, investments in energy-efficient technical solutions, a focus on continuous improvements and promoting greater awareness among employees. Target breakdowns are carried out centrally and each business area is responsible for their own action plans, and for ensuring that energy-saving activities are initiated and undertaken. An evaluation and follow-up of outcomes are conducted every quarter, where best practices are shared and experiences exchanged between the Group's different units within the framework of the network.

E1-4: Targets related to climate change mitigation and adaptation

SCA has four targets related to climate change mitigation and contribution to a fossil-free world. The overall target is to deliver climate benefit that exceeds 10 million t CO_2e per year. Additionally, the Company has targets to halve fossil emissions in the value chain, increase energy efficiency in accordance with the ongoing ESAVE program, and realize 11 TWh of installed wind power capacity on SCA's land. The Company has not identified material impact related to climate change adaptation and has not formulated an explicit target for climate change adaptation. The targets are followed up at various levels in the Company, including the Board of Directors, Executive Management and SCA's Sustainability Council. The outcome is reported in the Company's annual Sustainability Statement, which was subject to a limited assurance by an external auditor. The targets are described in more detail below. External factors and trends were taken into account when formulating the targets, but external stakeholders were not involved in the final formulation of the targets.

SCA calculates climate benefit delivered based on the components of the global standard ISO 13391, parts 1–3 and the effect of own wind power, see General information BP-2. In 2025, SCA's climate benefit amounted to 12.0 (12.3) million t CO_2e, which was higher than the target to deliver an annual climate benefit exceeding 10 million t CO_2e. The target includes net uptake of carbon dioxide in the forest, storage of biogenic carbon in products during their lifecycle (HWP), potential for avoided emissions as the Company's products can replace fossil materials, and fossil emissions in the value chain. The calculation of net uptake from forests is described in section E1-7 and the other calculations are described in section E1-6 and in General information BP-2. Calculation of storage of biogenic carbon in HWP follows ISO 13391:2, which is based on IPCC's methodology. The calculation is based on the net input of products during the year, using assumptions on half-life and recycling rates. Assumptions used are presented in the table SCA's climate benefit 2025. When calculating potential avoided emissions, a potential is calculated based on the products' applications according to ISO 13391:3. Displacement factors (DP factors) have been determined per product group based on published LCAs. The precautionary approach was applied to underestimate rather than overestimate the potential. For product groups such as tissue, a DP factor of 0 was used for first application. In accordance with ISO 13391:3, a total DP factor is also calculated and, in SCA's case, energy recovery was applied for most products except energy products where only first use was included. For each application, an assumption was also used of the portion that replaces fossil-based products. When calculating fossil emissions in the value chain, the value chain was defined to include emissions from a cradle-to-gate perspective. Emissions downstream of the

cutomer's gate are included in the assessment of DP factors when calculating the climate benefit of potential avoided emissions for the Company's products. The capital goods category in Scope 3 was also excluded as it is not part of ongoing production and can vary greatly between years, see section E1-6 for a presentation of the fossil emissions included. The outcome for 2025 is presented in the table SCA's climate benefit 2025 together with assumptions made.

The long-term target is a fossil-free value chain. One interim target is to reduce fossil emissions in the value chain by 50% by 2030. The target has not been specified by scope but defined for Scopes 1, 2 and 3 together and is measured in absolute terms compared with the base year of 2019. The target covers the greenhouse gases of carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride and is designed internally by SCA to be aligned with the Paris Agreement, see also under section E1-1. For Scope 2, the target is based on location-based emissions data. See also section E1-6 for Scope 3 categories included in the target. Fossil emissions from the Company's value chain amounted to 0.90 (0.87) million t CO_2e in 2025, measured as gross emissions. This represents a minor increase compared with the year-earlier period, driven by an increase in scope 3. Compared to the base year of 2019 emissions decreased by 14%. Scope 1 includes emissions from SCA's own vessels. Emissions in Scope 1 are largely unchanged compared to the preceding year due to the lower consumption of fossil fuels, which was offset by increased fertilization of the forest. Compared to the base year 2019, emissions in Scope 1 decreased by approximately 12%, supported by lower consumption of fossil fuels. The reduction in Scope 2 emissions was 19% compared to the preceding year and more than 60% compared with the base year. The main reason is lower emission factors but also a reduction in electricity consumption. The increase in Scope 3 consists of emissions from purchased goods and services and from transportation, which is a result of increased production volume and a higher share of transportation to other continents. The decrease compared with the base year is driven by lower emissions from transportation and from the production of fuels, while emissions from purchased input goods increased and partly offset the decrease from transportation. Some 33% (36) of fossil emissions in the value chain are from own operations and from purchased energy while approximately 67% (64) are from sources outside the Company's facilities. Reporting the interim target forms part of the Company's Sustainability Statement, which was subject to a limited assurance by an external auditor.

Projects implemented in 2025 within the framework of the Company's ESAVE activities have exceeded the target and resulted in 39 GWh of energy savings. Refer to section E1-3. The optimization of pulp refiner segments and increased steam recovery contributed to the target. Follow up is carried out at project level where the energy savings of each project are monitored by measuring or calculating the energy performance during an evaluation period and comparing this to a reference period.

The Company owns many areas with favorable wind conditions for the establishment of wind power. The Company is working in various ways to realize this potential to enable the supply of renewable electricity to phase out fossil-based electricity. The target is to realize 11 TWh of installed wind power capacity on SCA land by 2025. The target has been largely achieved as there was 10.6 TWh of installed wind power capacity on SCA land at the end of 2025. This corresponds to approximately 20% of installed wind power capacity in Sweden.

SCA's climate benefit 2025

The Company's climate benefit has been calculated using components of the global standard: Wood and wood-based products – Greenhouse gas dynamics ISO 13391, parts 1–3. In order to facilitate a comparison with outcomes from earlier years, outcome is also presented according to the model published by SCA in 2019.

	Climate benefit Based on ISO 13391[1]		Climate benefit model published in 2019[2]		
Million t CO_2e	**2025**	**2024**	**2025**	**2024**	**Assumptions and sources for outcomes in 2025**
Forest carbon	**4.3**	**5.1**	**3.0**	**3.9**	
Net uptake in growing productive forest	3.0	3.9	3.0	3.9	1.375 t CO_2e/m^3fo in net growth, see E1-7.
Net uptake on low-productive forest land	0.3	0.4	N/A	N/A	1.231 t CO_2e/hectare/year, see E1-7.
Net increase in soil carbon	1.0	0.8	N/A	N/A	Net change in soil carbon during the year. Factor 0.96 t CO_2e/hectare forest land, see E1-7.
Net uptake in upstream forests	0.0	0.0	N/A	N/A	The areas where the Company sources wood raw material show an increasing carbon stock over time. The contribution to climate benefit is assessed to 0.
Carbon storage in products	**0.8**	**0.7**			
Wood products	0.6	0.5	N/A	N/A	Half-life 35 years. Factor 0.33 t CO_2e/t CO_2e in product, see BP-2.
Wood-fiber-based products (pulp and paper)	0.2	0.2	N/A	N/A	Half-life 2 years. Factor for pulp 0.04 and for containerboard 0.14 t CO_2e/t CO_2e in product. Recycling rate of 30 and 80% respectively, see BP-2.
Avoided emissions (potential)	**7.8**	**7.4**	**5.9**	**5.5**	
Wood products	2.9	2.7	2.9	2.7	DP factor 1.5 t CO_2e/t CO_2e in product, see BP-2.
Wood-fiber-based products (pulp and paper)	3.9	3.7	2.1	2.0	DP factor between 0.9 and 1.6 t CO_2e/t CO_2e in product, see BP-2.
Energy products[3]	1.0	1.0	0.9	0.8	Based on energy amount replaced. Factor 0.8–0.9 t CO_2e/t CO_2e in product, see BP-2.
Fossil emissions	**–0.9**	**–0.9**	**–0.9**	**–0.9**	
Fossil emissions in the value chain, Scope 1–3	–0.9	–0.9	–0.9	–0.9	Location-based emissions (Scope 2). Scope 3 categories see E1-6.
Total climate benefit[4]	**12.0**	**12.3**	**8.0**	**8.5**	

[1] Calculated based on the components of ISO 13391, parts 1–3, and for 2024 final draft international standard of the same ISO model, FDIS 13391, parts 1–3:2025.
[2] Calculated using the model published by SCA in 2019, which was used to report the Company's climate benefit between 2018–2022, see sca.com.
[3] Own wind power is included in energy products, which is a deviation from ISO 13391:3.
[4] This is a deviation from ISO 13391, which does not stipulate summation of the constituent components.

E1-5: Energy consumption and mix

Total energy consumption[1)2)]

MWh	2025	2024
Fuels and purchased energy (fossil sources)		
Coal and coal products	0	0
Crude oil and petroleum products (including own vessels)	817,730	830,630
Natural gas	0	0
Other fossil sources	28,070	26,440
Purchased electricity, heat, steam, and cooling	246,020	212,170
Total use of fossil energy	**1,091,820**	**1,069,240**
Share from fossil sources in total energy (%)	9%	9%
Energy from nuclear sources		
Total use of nuclear sources	**403,850**	**450,350**
Share of consumption from nuclear sources in total energy consumption (%)	4%	4%
Fuels and purchased energy (renewable sources)		
Fuels from renewable sources	9,307,760	9,406,180
Purchased electricity, heat, steam, and cooling	736,440	747,600
Self-generated non-fuel renewable energy	0	0
Total use of renewable energy	**10,044,200**	**10,153,780**
Share from renewable sources in total energy (%)	87%	87%
Total energy consumption	**11,539,870**	**11,673,370[3)]**
Energy sold[4)]	2,833,500	2,743,500
Energy sold in relation to total energy consumption	25%	24%

1) All energy consumption including fuel for own vessels and fuels for production of energy streams sold, such as electricity and district heating.
2) For purchased electricity, the distribution by source is used as stated in the residual mix per country, according to AIB.
3) Correction of minor input error for 2024. The change represents 0.1% of total energy consumption.
4) Includes surplus electricity from co-generation, electricity from own wind power, pellets, unprocessed solid biofuels, tall oil, district heating and share of sold cargo space.

The forest industry is a major energy consumer as well as a major energy producer. A large share of the energy used is from the Company's own operations and own production of renewable energy. SCA is a net producer of bioenergy and the surplus is sold in the form of pellets and unprocessed products such as fuel wood chips and bark. Electricity is produced through co-generation and own wind power.

All of the Company's operations are considered activities in "High climate impact sectors". The following sectors have been identified: forestry, wood products manufacturing, pulp and paper, energy production and logistics.

SCA has, for many years, worked in a structured manner to replace fossil fuels with renewables. Fuel supply to the industrial facilities is today almost fossil-free, reaching a share of more than 96%. A large portion of the energy used by SCA comes from the incineration of wood residuals and from electricity produced through co-generation.

The Company's total energy consumption includes energy used in the Company's industries, in forestry and the fuel used by SCA-owned or leased vessels. Total energy consumption also includes the surplus generated at the Company's plants and sold to customers.

Fossil energy sources comprise oil, fuel, liquefied petroleum gas, plastic rejects from recovered fiber, and the fossil share of electricity and district heating.

Energy from nuclear sources consists of the share of purchased electricity that comes from nuclear power generation.

Renewable energy sources comprise solid biofuels from our own operations, such as bark, wood pellets, wood substances in black liquor and sludge, as well as renewable content in fuels and purchased electricity.

Data from the AIB was used when calculating the origin of purchased electricity by source. The calculation according to the market-based composition principle used AIB's residual mix data for each country, with electricity purchased from the grid. The data has a one-year delay, as data for the reporting year is not available before publication of the annual report.

Any internally generated surplus electricity is supplied to the national grid. SCA also delivers energy to the municipal district heating grid by utilizing secondary heat from the processes. A by-product from the Group's kraft pulp mill is tall oil, which is sold externally and further refined into liquid biofuels. The joint-owned biorefinery in Gothenburg began operating at the end of 2023.

Energy intensity

All of the Company's operations are classified as high climate impact sectors. To calculate energy intensity, the Company has used Group revenues, meaning net sales plus other operating income after elimination of internal sales.

The Company's revenue, see Note B1 in the financial statements, amounted to SEK 23,447m (23,627) in 2025, resulting in an energy intensity of 492 MWh per SEKm (494).

E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions

Intensity value for GHG emissions

To calculate SCA's GHG intensity, the Company has used Group revenues, meaning net sales plus other operating income after elimination of internal sales. The intensity metric refers to total fossil emissions in Scope 1, 2 and 3, and all categories in Scope 3 have been included. The Company's revenue, see Note B1 in the financial statements, amounted to SEK 23,447m (23,627) in 2025, resulting in an GHG intensity of 42 t CO_2e per SEKm (41) measured as location-based and 46 t CO_2e per SEKm (44) measured as market-based emissions.

Methods and comments on the calculation of GHG emissions

To calculate and report fossil emissions such as carbon dioxide and other greenhouse gases, SCA uses the Greenhouse Gas Protocol (GHG Protocol) global standard which includes:

- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- The Greenhouse Gas Protocol: Scope 2 Guidance
- The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

Gases included in the calculation of emissions are fossil carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). Emission factors from the Värmemarknadskomitteén 2024, Energiföretagen and the Swedish Environmental Protection Agency 2024 were used to calculate the global warming potential (GWP) of non-CO_2 gases.

SCA reports emissions for Scope 1, 2 and 3. Scope 1 includes direct emissions from operations, Scope 2 indirect emissions that arise from the production of purchased electricity, district heating, district cooling and process steam, and Scope 3 covers other indirect emissions, upstream and downstream in the value chain. Operational control is applied for SCA's climate statement. The reporting period is identical to the financial statements and covers one calendar year. In the event of major changes in circumstances, such as acquisitions, divestments or changes in operations, or in the case of significant events, this is commented on in the reporting.

SCA conducts an annual process to ensure that accurate and reliable data is reported. The process includes a review of the conversion factors, emission factors, data sources and supplier-specific data used. These are also updated as needed or if new data becomes available. Emissions have not been validated by any party other than SCA's external auditor.

Total GHG emissions

The Group's fossil emissions in the value chain are presented in the table below. Reporting refers to gross emissions. The target for emission reductions applies to Scope 1, 2 and 3 jointly, and is not broken down by scope. The Scope 3 categories included in the target are presented below.

	Retrospectively				Milestones and target years	
GHG emissions, t CO_2e	Base year 2019	Outcome 2024	Outcome 2025	2025/2024, %	2030	Annual target % /Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	312,500	278,200	276,000	–1%		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	32%	55%	65%			
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	58,300	26,700	21,700	–19%		
Gross market-based Scope 2 GHG emissions	111,500	104,900	121,500	16%		
Significant Scope 3 GHG emissions[1]						
Total Gross indirect Scope 3 GHG emissions	750,000	661,200	683,800	3%		
1 Purchased goods and services	148,900	155,200	179,300	16%		
2 Capital goods	38,300	50,700	34,000	–33%		
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	68,800	57,800	52,200	–10%		
4 Upstream transportation and distribution	453,500	347,200	367,500	6%		
5 Waste generated in operations	3,100	3,200	2,400	–25%		
6 Business travel	4,100	700	500	–29%		
7 Employee commuting[2]	N/A	N/A	N/A			
8 Upstream leased assets[3]	N/A	N/A	N/A			
9 Downstream transportation[4]	0	0	0			
10 Processing of sold products	33,300	46,400	47,900	3%		
11 Use of sold products	N/A	N/A	0			
12 End-of-life treatment of sold products	N/A	N/A	0			
13 Downstream leased assets	N/A	N/A	0			
14 Franchises[5]	N/A	N/A	N/A			
15 Investments[2]	N/A	N/A	N/A			
Total GHG emissions						
Total GHG emissions (location-based)	1,120,800	966,100	981,500	2%		
Total GHG emissions (market-based)	1,174,000	1,044,300	1,081,300	4%		
GHG emissions included in the emissions target and in the calculation of climate benefit[6]	1,049,200	869,000	899,600	4%	–50%	–5%

[1] A review of Scope 3 categories was undertaken and comments on the changes are given in the methodology section.
[2] Not considered material since emissions account for <1% of total emissions.
[3] Not relevant, no activities linked to the category were identified.
[4] Emissions included in category 4, upstream transportation and distribution
[5] Not applicable to SCA's operations.
[6] Excluding the Scope 3 categories of capital goods, processing, use and end-of-life treatment of sold products, downstream leased assets and investments. Scope 2 refers to location-based emissions.

Method for reporting Scope 1 emissions

Inputs are based on consumption data from internal and external sources, which are converted into t CO_2e. Scope 1 covers direct GHG emissions from stationary combustion, machinery used in operations, transport under operational control, leased or owned cars, and emissions from peat and fertilizer use. Consumption data is collected from internal systems or provided by external parties.

Harvesting by contractors is reported as Scope 1. Fuel consumption and emissions are calculated based on harvested volume and measured fuel consumption per harvested m^3 for own harvesting teams. Measurement accuracy has been deemed satisfactory given that SCA uses its own harvesting resources for approximately 10% of harvesting. Silviculture is mainly performed by contractors. SCA has calculated a key figure from a selection of contractors, which is then applied to the area managed. For internal transportation at terminals, where consumption figures are not available, an estimate was made of contractor hours used.

To calculate GHG emissions, emission factors were obtained from publicly available and established sources, such as the Swedish Environmental Protection Agency, Energiföretagen Sverige, the Network for Transport Measures (NTM), and the Swedish Energy Agency. Emissions from stationary combustion were calculated using emission factors from the Swedish Environmental Protection Agency and Energiföretagen Sverige, while emissions related to transportation and logistics were calculated using emission factors from the Network for Transport Measures (NTM) and the Swedish Energy Agency. Applicable provisions in the reduction obligation were taken into account when calculating transport-related emissions. These sources were chosen to ensure transparency, comparability and access to regularly updated emissions data.

The increase in regulated emission trading systems is due to the inclusion of own vessels as of 2024.

Biogenic emissions of CO_2 are calculated based on the amount of biofuels and emission factors from available and established sources, such as the Swedish Environmental Protection Agency and Energiföretagen Sverige. SCA's biogenic emissions of CO_2 from stationary combustion amount to approximately 3,475,000 t CO_2e and biogenic emissions from transport to about 1,600 t CO_2e. Biogenic emissions are only reported for Scope 1 since reliable data for Scope 2 and 3 is currently lacking and estimates are uncertain.

Method for reporting Scope 2 emissions
For purchased electricity from the national grid, emission factors published by the AIB are used to calculate both location-based and market-based emissions. The use of this source provides transparency and regularly updated data.

For purchased district heating, supplier-specific emission factors have been used. The use of these sources provides specific data. SCA does not purchase district cooling.

Of the Company's purchased electricity, 0% is purchased with guarantees of origin. The share of electricity purchased with green electricity certificates relates to offices and similar premises, which represent a very small proportion of the Company's total electricity consumption.

Method for reporting Scope 3 emissions
In 2025, SCA conducted a Scope 3 screening to identify relevant and material categories for the Company's impacts and reporting. A threshold of 1% of total emissions was used to determine materiality, which meant categories expected to contribute less than 1% of emissions were excluded. In reporting for 2025, the capital goods and processing of sold products categories were added compared to the previous year's reporting. Emissions from employee commuting and investments are not material as they represent less than 1% of total emissions and were therefore excluded. The upstream leased assets category is not relevant as SCA has operational control over all leased assets. Emissions from these assets are reported in Scope 1 and 2. Emissions from downstream transportation are reported as zero, as they are included in category 4. SCA's wood products, pulp, containerboard and green electricity do not generate any fossil CO_2 emissions in the use phase and the use of sold products category was therefore excluded. The end-of-life treatment of sold products category was also excluded as virtually all products sold by SCA are bio-based and do not produce any fossil CO_2 emissions. The downstream leased assets category does not produce any emissions in addition to those already included in Scope 1 and 2. The franchises category is not applicable as SCA does not operate with franchisees.

The percentage of emissions calculated using primary data obtained from suppliers only includes emissions calculated using supplier-specific emission factors and when pre-calculated emissions are obtained directly from suppliers. For the total emissions in category 3, 8% has been calculated using primary data from suppliers.

Scope 3 boundaries:
3.1 Includes purchased chemicals, packaging materials, wood products, peat, fertilizers and hired machinery services. Consumption data is collected from internal systems or provided by external parties. The purchased quantity of process chemicals is used as a measure of the consumed volume of process chemicals. Emissions are calculated using emission factors from various public or supplier-specific sources. No specific calculation tool has been used. The percentage of emissions calculated using primary data from suppliers is 45%.

3.2 Emissions for capital goods arise from the production of building materials, non-current assets, machinery, production equipment, inventory and vehicles that SCA commissioned during the year. The emissions calculation is based on book value and publicly available and established emission factors. The category has been added in emissions reporting for 2025. Emissions from the base year of 2019 and the previous year have been updated in reporting. The percentage of emissions calculated using primary data from suppliers is 0%.

3.3 Includes upstream emissions from the production of fuel and energy-related activities reported under Scope 1 and 2. Inputs are based on consumption data from internal systems and external sources, which are converted into t CO_2e. Emissions are calculated using emission factors from various public sources. No specific calculation tool has been used. The percentage of emissions calculated using primary data from suppliers is 0%.

3.4 Includes upstream emissions from purchased transportation and includes both direct emissions and emissions from the production of fuels. SCA has previously calculated emissions solely from the transportation of raw materials and products and not included emissions that occur from handling in warehouses at external terminals. The category also includes downstream transportation as SCA covers the majority of the transportation costs to customers. Inputs are based on actual transport work (goods weight and transport distance) from internal systems and external sources, which are converted into t CO_2e. For 2025, the category has been supplemented with emissions that occur when moving and transhipping products, storage in terminals and shorter internal transport journeys. A key figure has been created based on energy consumption and volume handled at SCA's own terminals. The key figure is applied to the volume handled at external terminals used by SCA in Europe and the US. The emission factors are publicly available and based on the geographical location of the terminals. Reporting for 2024 and the base year of 2019 has been updated with these emissions. No specific calculation tool has been used. The percentage of emissions calculated using primary data from suppliers is 0%.

3.5 Includes waste generated in operations and transportation to waste management. Inputs are based on the amount of waste generated from internal systems and external sources, which are converted into t CO_2e. Waste was previously calculated for SCA's industries and forest operations. As of 2025, waste from logistics operations is included in reporting and also emissions for 2024 have been supplemented with the corresponding data. Emissions are calculated using emission factors from various public sources. No specific calculation tool has been used. The percentage of emissions calculated using primary data from suppliers is 0%.

3.6 Includes business travel for SCA employees. Inputs are based on measured travel data and emissions data from the travel agency. Data from the travel agency includes air and rail travel and hotel accommodation. Data from the travel agency is reported as kg CO_2e per mode of travel. Emissions from rental cars are obtained from rental car companies as kg CO_2e or as kilometers driven. Kilometers driven are restated as CO_2e using emission factors from published sources. Data for taxi journeys is obtained from the Company's accounting system and converted to kg CO_2e using emission factors from published sources. The percentage of emissions calculated using primary data from suppliers is just over 74%.

3.10 Processing of sold products includes emissions that occur when products sold by SCA require processing before use. Pulp sold by SCA requires processing before it becomes a final product. SCA has estimated the electricity used by customers to refine the pulp. Emissions are calculated using emission factors from public sources with a delay of one-year. The percentage of emissions calculated using primary data from suppliers is 0%. Additional emissions have been included in the 2025 report and reported data for the base year of 2019 and 2024 have been updated.

For the comparability, the changes and additions to Scope 3 categories performed for 2025 have also been corrected for the base year of 2019 and 2024.

Estimates in Scope 3 emissions are considered to provide satisfactory accuracy when more reliable data collection options are unavailable.

E1-7: GHG removals and GHG mitigation projects financed through carbon credits

The Company does not participate in any external CO_2 capture and/or storage projects. Nor is the Company aware of any projects in the value chain for CO_2 capture or storage. The Company has not financed any GHG emissions by purchasing carbon credits or reversed any emissions through actions during the year or in previous years.

However, the Company has a significant net uptake of greenhouse gases in the form of carbon dioxide in the Company's forests that is several times greater than emissions of fossil greenhouse gases measured as CO_2e in the entire value chain. In 2025, the net uptake in the Company's forests amounted to 4.3 (5.1) million t CO_2e. The uptake has not been used to offset GHG emissions in the value chain or sold to external parties during the year or in previous years. The calculation follows the ISO 13391:2 standard. The net uptake in SCA's growing forest is calculated by reducing the gross growth of the forest by natural losses and harvesting during the year. The net growth obtained is multiplied by a factor of 1.375 t CO_2e per m^3fo of net growth. The background to the factor is described in "Individual tree biomass equations or biomass expansion factors for assessment of carbon stock changes in living biomass – A comparative study," Forest Ecology and Management 2012.

Net uptake also includes uptake in growing biomass on low-productive forest land and the net increase in carbon in forest land from, for example, falling needles and leaves and the decomposition of roots. Net uptake for low-productive forest land in Sweden is based on data from the Swedish National Forest Inventory, SLU, which reported a net storage in living biomass of 1.231 t CO_2e/hectare/year. This factor is applied to SCA's area of low-productive forest land. For SCA's Baltic forest holding, there is no significant area of low-productive forest land, and therefore no net storage for this category. The net increase of soil carbon, dead wood and forest litter, is based on data from the Swedish Environmental Protection Agency's national climate reporting, and represents an average value for forest land in Sweden. To obtain a more reliable factor, an average value for 2020–2024 for net storage has been used, 0.96 t CO_2e/hectare/year. This factor is applied to all SCA's forest land in Sweden. For the Baltic forest holding, no net storage is reported for this category in the national inventory reports for Estonia and Latvia, and SCA has therefore calculated that this category is zero.

E1-8: Internal carbon pricing

SCA does not use internal pricing for existing emissions. This means that 0% of the Company's emissions are covered by internal pricing under Scope 1–3.

However, SCA does apply internal carbon pricing when evaluating potential investments to assess the climate effect and possible costs or savings. Pricing uses the current or forecast market price for emission allowances in the EU Emission Trading System (EU ETS).

EU Taxonomy

Economic activities eligible under the 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. The disclosure requirement for 2025 includes all six environmental objectives and reporting activities that are Taxonomy-aligned and those that are Taxonomy-eligible. For the 2025 fiscal year, the Company chose to apply the approved simplifications in the form of materiality and simplified tables. Comparative data and key figures for 2024 have been restated in accordance with the reporting requirements that apply from January 1, 2026.

SCA's products contribute to the sustainable transition of society by replacing fossil materials with products based on renewable materials resulting from responsible forest management. Despite this, most of the Company's products are not eligible according to the existing version of the EU Taxonomy, meaning no technical screening criteria have been defined for these activities.

Examples of SCA's activities that support climate change mitigation, but are not eligible under the Taxonomy are:
- Production and sales of solid wood products for construction, renovation and manufacturing of furniture.
- Production and sales of fiber-based packaging material.
- Production and sales of pellets and unprocessed solid 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, 2023/3851 and 2026/73. 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 liquid biofuels, as well as various transport services and electricity storage.

The boundary to identify Taxonomy-eligible activities follows the Company's principles of consolidation, see Note A1 in the financial statements. This means no activities linked to joint ventures were included.

Identified Taxonomy-eligible activities are first and foremost considered in terms of contribution toward the environmental objective, Climate change mitigation. Some activities are also eligible under the environmental objective Biodiversity and ecosystems. However, these activities are mainly assessed in terms of contribution to the Climate change mitigation environmental objective, which is why they are reported under this objective. In 2025, no activities were identified that are primarily eligible under or contribute to the other environmental objectives.

The precautionary approach was used to estimate economic activities, 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 of turnover, capital or operating expenditure.

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. SCA is deemed to comply with the minimum safeguards, see Governance information G1 sections GOV-1 to G1-3.

For 2025, the Company did not identify any activities classified as transitional.

The Company has applied cumulative materiality thresholds of 10% per key figure (turnover, capital expenditure and operating expenditure), and no assessment of taxonomy alignment was performed for activities that fall below the threshold. None of the excluded activities are considered as "harmful activities".

Turnover
Turnover consists of the Group's revenue, see Note B1 in the financial statements. Revenue includes net sales and other operating income from external sales of goods and services, that is, after elimination of internal transactions. The outcome for turnover for each economic activity is obtained from the Group's financial reporting system and follows the financial statement.

The forest is at the core of SCA's operations and SCA's forest management is deemed Taxonomy-eligible, but since most of the wood raw material is used internally the revenue is excluded from recognition of turnover. This means, only a very small portion of SCA's total turnover may be included when calculating the proportion that is Taxonomy-eligible and the proportion that is Taxonomy-aligned. The Taxonomy-eligible activities comprise almost exclusively other operating income and constitute a minor share of the Company's turnover.

The forest management activity covers revenue from silvicultural services sold externally, sales of seedlings and external sales of small volumes of wood. Energy activities identified as Taxonomy-eligible comprise the sale of wind power from own wind power, production and sale of tall oil to be processed into liquid biofuel, external sales of co-generated electricity, heating and district heating as well as electricity storage. External sales of maritime transport on own and leased vessels are also considered Taxonomy-eligible.

CapEx
SCA, as a non-financial corporation that applies IFRS standards, has identified capital expenditure (CapEx) in the IAS 16, IAS 38, IAS 41 and IFRS 16 categories. For the purpose of assessing the Taxonomy-eligible CapEx that meet the criteria, calculations were conducted of the CapEx that meet any of the criteria a–c:

(a) pertains to assets or processes linked to the Company's economic activities that are currently Taxonomy-eligible.

(b) is part of a plan to increase the Company's economic activities that are Taxonomy-eligible or make it possible for economic activities that are Taxonomy-eligible to contribute to environmental objectives within a predefined timeframe.

(c) pertains to purchasing of external goods and services that are the result of economic activities that are aligned with the Taxonomy and individual measures that makes it possible to become low-carbon or lead to reduced GHG emissions, as well as individual measures for building renovation in accordance with what is stated in the delegated acts.

In 2025, Taxonomy-eligible CapEx largely comprises the acquisition of forest land and investments in own wind power. CapEx in forest management mainly consists of acquisitions of forest land in the Baltic region and Sweden. Costs also include CapEx in forest roads, capitalized silviculture and lease contracts linked to forestry machines. Other CapEx encompasses increased production of wind power, maintenance of own vessels, production and delivery of district heating as well as battery storage of electricity. In 2025, no share of CapEx was financed through green bonds or subsidies. Currently, no activities are covered by a CapEx plan.

OpEx
Operating expenditure includes, in accordance with the Taxonomy's definition, direct costs that are not recognized as assets and that concern research and development, renovation of buildings, current leases, maintenance and repairs and other direct operating expenditures that concern daily maintenance required to ensure the continued operation and appropriate function of tangible fixed assets.

For the purpose of assessing the Taxonomy-eligible OpEx that meets the criteria, calculations were conducted of the OpEx that meets any of the criteria a–c:

(a) pertains to assets or processes linked to the Company's economic activities that are currently Taxonomy-eligible.

(b) is part of a plan to increase the Company's economic activities that are Taxonomy-eligible or make it possible for economic activities that are Taxonomy-eligible to contribute to environmental objectives within a predefined timeframe

(c) pertains to purchasing of external goods and services that are the result of economic activities that are aligned with the Taxonomy and individual measures that makes it possible to become low-carbon or lead to reduced GHG emissions, as well as individual measures for building renovation in accordance with what is stated in the delegated acts.

Only accounts that contain OpEx of at least SEK 1m were taken into consideration when calculating category c) above.

In evaluating this expenditure, only invoices of at least SEK 0.5m were taken into consideration. In 2024, most of Taxonomy-eligible OpEx comprised other direct OpEx.

The main OpEx deemed Taxonomy-eligible comprises silvicultural measures in own forest such as costs for thinning. In addition, there is also maintenance of equipment to perform silvicultural services on behalf of other forest owners.

For energy production, maintenance costs were calculated as a share of the facility's total maintenance costs based on the need for maintenance for the facility's different departments.

Energy activities are deemed to be Taxonomy-aligned since this OpEx is linked to activities that are considered as aligned with the technical screening criteria. OpEx linked to own vessels was included as eligible but not aligned, since the vessels have CO_2 emissions that do not meet the technical screening criteria. From 2025, silvicultural measures are no longer considered aligned as the external audit criteria could not be met, refer also to CCM 1.3 Forest management below.

Assessment of the compliance of economic activities with the EU Taxonomy

A description is given below of the assessment carried out for how each economic activity complies with the technical screening criteria and the do no significant harm criteria (DNSH) for any of the other environmental objectives. Fulfillment of the minimum social safeguards requirements has been described earlier in this section.

CCM 1.3. Forest management

SCA is Europe's largest private forest owner. The Company's forest management is certified according to FSC and PEFC. This means the Company, in addition to applying national forestry legislation, also meets internationally accepted principles and criteria for responsible forest management. The Company has forest management plans to ensure active and long term forest management with a sustainable use of the forest's resources and ecosystem services. These forest management plans encompass ecological landscape planning that document areas with high conservation values and form the basis of the Company's strategy to preserve and develop the forest's biodiversity. The forest management plans are updated regularly. Through inventories of the forest holding every five to ten years, the Company's harvesting plans are updated to ensure sustainable harvesting of raw material. Since the annual harvesting rate is lower than growth, there is a net growth of biomass every year and thereby a net uptake of CO_2 from the atmosphere. This is part of the Company's climate benefit as described in the climate section of this Annual Report. The standing volume trend (net growth) is regularly verified and reported using the SLU Swedish National Forest Inventory and own inventories. These measurements indicate increased carbon storage over time in terms of the Company's entire holding. The calculations include all relevant carbon pools and comply with IPCC guidelines for greenhouse gas inventories. Internal and external audits are carried out each year of the Company's forest management using the FSC and PEFC certification systems. The Company's climate risk assessment is reported in the risk section of the Board of Directors' Report. The Company has planted contorta pine in a small portion of the forest holding. The Swedish Forest Agency, which is the responsible authority, does not consider it an invasive species. Contorta pine is not a domestic tree species but may legally be planted in Sweden. With its much higher survival and growth rate, it makes a significant contribution to the forest's net uptake of CO_2 from the atmosphere and thereby helps to mitigate climate change. Guidelines are in place to avoid negative impact on environmental values in conjunction with forestry measures. Specific actions are taken to preserve and restore watercourses and wetlands. Similarly, regulations and procedures exist to avoid discharges of, for example, hydraulic oil and to minimize the impact such a potential leak could have on soil and water. The Company's forest management is deemed by SCA to fulfill all the criteria of the EU Taxonomy with the exception of the requirement for third-party assurance. The Company has not yet found a partner that can provide an assurance that complies with the requirements of the EU Taxonomy, but is continuing to search. Until then, the Company will continue to report the activity of forest management as eligible under the EU Taxonomy but not as aligned. This is a change from the previous year's reporting. The activity is material in terms of CapEx and OpEx.

CCM 4.3. Electricity generation from wind power

SCA owns one wind farm. Substantial contributions to mitigate climate change are considered to be fulfilled since the farm generates and sells renewable electricity from onshore wind power. Through the environmental impact assessment, the environmental permits obtained and the plans to manage the future dismantling of the farm, the relevant DNSH criteria are considered to have been met. The activity is material in terms of CapEx and is considered aligned.

CCM 4.10 Storage of electricity

The Company has invested in and operates a battery facility to store electricity. The activity is an enabling activity that facilitates electrification and can help to stabilize the electricity grid. A recycling plan is in place to recover, for example metals, at the end of the product lifecycle. The activity is not considered material.

CCM 4.13. Manufacture of biogas and biofuels for transport and of bioliquids

The Company extracts and sells tall oil that is a by-product from kraft pulp production. All raw materials used in pulp manufacturing comply with, as a minimum, FSC Controlled Wood. Tall oil is further refined into liquid biofuel and yields a reduction in GHG emissions greater than 90% compared with fossil fuels. Through the pulp mills' environmental impact assessments and environmental permits obtained, the relevant DNSH criteria are considered to have been met. The activity is not considered material.

CCM 4.15. District heating/cooling distribution

The Company delivers heating to the municipal district heating system. The heat supplied consists of surplus heat and/or heat based on renewable fuels. Through the environmental impact assessments and environmental permits obtained by the industries in question, the relevant DNSH criteria are considered to have been met. The activity is not considered material.

CCM 4.20. Cogeneration of heat/cool and power from bioenergy

The Company's industrial processes produce co-generated electricity that is used internally or sold externally to the national grid. This activity also includes a minor supply of steam produced from solid biofuels. Raw materials to the mills fulfill, as a minimum, FSC Controlled Wood and the reduction in greenhouse gases is estimated to be approximately 90% compared with if fossil fuels were used. Through the environmental impact assessments and environmental permits obtained by the industries in question, the relevant DNSH criteria are considered to have been met. The activity is not considered material.

CCM 6.5. Transport by motorbikes, passenger cars and light commercial vehicles

The Company leases a number of cars for passenger transportation. The share that comprises purely electric cars is deemed to meet the technical screening criteria and DNSH criteria as the vehicles do not produce any fossil emissions. The activity is not considered material.

CCM 6.10. Sea and coastal freight water transport, vessels for port operations and auxiliary activities

The Company conducts ocean freight operations for freight transports on own or leased vessels. Currently, technology is not available to meet the technical screening criteria of the EU Taxonomy. The activity is not considered material.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025 (summary KPIs)

Financial year (N)	2025														
					Breakdown by environmental objectives of Taxonomy-aligned activities										
KPI (1)	Total (2)	Proportion of Taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of Taxonomy-aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy-aligned activities in previous financial year (N–1) (15)	Proportion of Taxonomy-aligned activities in previous financial year (N–1) (16)
	SEKm	%	*SEKm*	%	%	%	%	%	%	%	%	%	%	*SEKm*	%
Turnover	**23,446**	**0%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**6%**	**0**	**0%**
CapEx	**2,904**	**57%**	**952**	**33%**	**33%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**2%**	**434**	**18%**
OpEx	**2,051**	**29%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**4%**	**0**	**0%**

Proportion of turnover from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025 (activity breakdown)

Reported KPI		Turnover											
Financial year (N)		2025											
					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible turnover) (3)	Taxonomy-aligned KPI (Monetary value of turnover) (4)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned turnover) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
		%	*SEKm*	%	%	%	%	%	%	%	*(E where applicable)*	*(T where applicable)*	%
No activities over materiality threshold, 10%	N/A	**0%**	0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**			**0%**
Sum of alignment per objective													
Total KPI (Turnover)													

Breakdown of reported CapEx included in the taxonomy reporting

Investment activities[1] SEKm	**2025**	**Comments**
Corporate acquisitions	0	
Divestments	0	
Current net investments in intangible and tangible fixed assets	–1,542	Included in taxonomy reporting
Strategic capital expenditures in intangible and tangible fixed assets	–1,273	Included in taxonomy reporting
Investments in intangible and tangible fixed assets (CF:2)	**–2,815**	
Sale of tangible fixed assets (CF:2)	233	
Acquisition and divestment of financial assets	–23	
Repayment of loans from external parties	0	
Cash flow from investing activities	**–2,605**	
Leases (new, remeasured and terminated contracts, Note B1)	–89	Included in taxonomy reporting
Basis for taxonomy reporting (CapEx)	**–2,904**	

[1] See consolidated cash flow statement, page 169.

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025 (activity breakdown)

Reported KPI		CapEx											
Financial year (N)		**2025**											
					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx) (3)	Taxonomy-aligned KPI (Monetary value of CapEx) (4)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
		%	*SEKm*	%	%	%	%	%	%	%	*(E where applicable)*	*(T where applicable)*	%
Forest management	CCM 1.3	24%	0	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**			0%
Electricity generation from wind power	CCM 4.4	33%	952	33%	33%	**0%**	**0%**	**0%**	**0%**	**0%**			100%
Sum of alignment per objective					**33%**	**0%**	**0%**	**0%**	**0%**	**0%**			
Total KPI (CapEx)		**57%**	**952**	**33%**	**33%**	**0%**	**0%**	**0%**	**0%**	**0%**			**58%**

Proportion of OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering 2025 (activity breakdown)

Reported KPI		OpEx											
Financial year (N)		**2025**											
					Environmental objective of Taxonomy-aligned activities								
Economic Activities (1)	Code (2)	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible OpEx) (3)	Taxonomy-aligned KPI (Monetary value of OpEx) (4)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned OpEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy-aligned in Taxonomy-eligible (14)
		%	*SEKm*	%	%	%	%	%	%	%	*(E where applicable)*	*(T where applicable)*	%
Forest management	CCM 1.3	29%	0	0%	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**			0%
Sum of alignment per objective					**0%**	**0%**	**0%**	**0%**	**0%**	**0%**			
Total KPI (OpEx)		**29%**	**0**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**			**0%**

ESRS E2 – Pollution

E2 IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities

SCA conducted a double materiality assessment of the Group's operations and value chain to identify impacts, risks and opportunities related to pollution; refer to General information SBM-3. To identify material impacts in pollution, dialogue was carried out with internal experts and external stakeholders. This included workshops, literature reviews and stakeholder dialogues with suppliers and the credit market. The process is described in General information IRO-1.

SCA's operations in the forest industry, sawmills, pulp and paper production as well as transportation entail a risk of negative impact through actual or potential emissions to air and water. The Company's emissions are affected by production levels and the product portfolio. SCA complies with the applicable environmental legislation and conditions of its environmental permits. However, in the event of unforeseen events, such as accidents, emissions may occur that could have a temporary negative impact on a limited geographical area.

SCA's double materiality assessment identified material impact in the form of emissions to air and a potential negative impact related to emissions to water.

Emissions to air and water

All of SCA's production facilities require permits and have environmental permits that set limits for emissions. Emissions to air from the Company's production facilities are mainly from incinerators, which may impact local and regional ecosystems. In addition to fossil CO_2, the identified emissions to air with the greatest impact and that are also covered by the industries' environmental permits are dust, NOx and SO_2. Industries have control programs in place to manage and ensure that emissions do not exceed permitted limit values.

Emissions to air are also generated by different types of transportation. The largest share of transport work is conducted by ship with SCA-owned RoRo vessels, or other external cargo ships. SCA uses external suppliers for most of its road transportation. Where possible, transportation is by rail. Fossil GHG emissions are reported in Climate change, see section E1-6, and also include emissions in the value chain.

Discharges to water from SCA's industrial operations could have negative impacts on the aquatic environment. At the same time, it is not clear whether the impacts are severe or long-lasting, as discharges mainly occur into larger watercourses and coastal waters with a high turnover rate and dilution capacity. Impacts therefore vary between sites and depend heavily on the sensitivity of the recipient, local hydrological conditions and seasonal variations. The negative impacts are therefore considered potential but limited in scope. For Sweden, there are specific environmental quality standards for recipients of process water, both inland and coastal, under the Water Framework Directive. Water discharges from a place of operations are normally investigated as part of the environmental permit process to ensure that they meet these standards.

E2-1: Policies related to pollution

SCA's Sustainability Policy, combined with the established targets, forms the basis for the Company's activities related to pollution. The Policy states that the Company is to conduct its operations in a manner that minimizes negative impacts on people, the environment and the climate, and in a manner that as a minimum corresponds to the requirements of applicable legislation. The need for action is assessed based on SCA's performance, environmental permit conditions and the applicable best available techniques (BAT). Continuous performance improvements to protect the environment and prevent pollution are included in routine process and product development work. The Policy covers those pollutants subject to environmental permits, legislation or BAT. The Policy is adopted by the Board of Directors, while the Senior Vice President Sustainability and Communications is accountable for its implementation. The Policy applies to the entire SCA Group and is available publicly on sca.com.

SCA has a Supplier Standard that outlines the requirements that the Company places on its suppliers, such as minimizing impact on the environment and climate, and suppliers must agree to adhere to the standard. The Supplier Standard is available publicly on sca.com.

In addition to the Sustainability Policy, the Company has written internal instructions to manage impacts, risks and opportunities related to pollution. Internal documentation includes environmental management, environmental assessments, handling of complaints and opinions, as well as emergency plans. The Resource Management System (RMS) is used to collect data and follow up outcomes. Operations are subject to environmental control programs that include procedures, measurements and documentation to minimize the Company's impact on people and the environment. Each business area is responsible for ensuring that instructions and procedures are available to its employees and that these are implemented in operations.

Procedures are implemented to minimize the risk for unexpected incidents that could result in emissions to air, water or land. In the event of, for example, an accident, emergency plans are in place in all operations. These describe how unexpected events should be managed to minimize negative impacts on people and the environment.

All Swedish production units are members of local water councils or recipient control associations, where the Company cooperates with relevant stakeholders, including regulators, on issues related to the management and monitoring of the recipient's status.

E2-2: Actions and resources related to pollution

SCA conducts operations that require environmental permits and each industry complies with applicable environmental conditions and legislation. Any deviations from permits or legislation are registered in an internal deviation system and corrective action is taken both urgently and in the longer term to minimize negative impacts and avoid a reoccurrence of the event. The authorities will be informed if the conditions are exceeded.

SCA's production facilities hold environmental permits regulating, for example, emissions to air and water. The Company has control systems in place to ensure compliance with permits issued. Continuous monitoring using, for example, measuring equipment, facilitates rapid detection of any discrepancies and swift action to minimize any potential negative impacts.

To minimize emissions to air and water, SCA also invests in new technology and optimizes energy use to reduce emission sources. For example, the Company cleans flue gas and process air through filters, cyclones and electrostatic precipitators. SCA is working systematically to replace oil with solid biofuels and electricity which also reduces emissions to air. The Company's actions primarily encompass own operations and are defined at unit level based on local conditions.

The Company is also endeavoring to increase the fill rate in transportation, provides training in eco-driving, applies various methods to reduce fuel consumption, and prioritizes transport modes and fuel with a lower environmental impact. Other activities in the value chain to minimize emissions include the use of heavy vehicles, known as 74-tonne vehicles, that enhance transport efficiency. The 74-tonne vehicles are used for timber transportation where possible, considering the bearing capacity of road bridges. An evaluation is ongoing of electric vehicles for timber transportation to minimize environmental impact.

Almost 95% of all water used in SCA's industries is returned to the recipient, which for SCA is the Gulf of Bothnia. The greatest share of the water, 63%, 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 32% of the water is process water reused in several stages before it is eventually treated both mechanically and biologically before being discharged to the recipient. Mechanical treatment removes suspended solids, sand and particles. Biological treatment reduces dissolved solids and pollutants that affect chemical oxygen demand (COD). The remaining 5% is mainly emitted as water vapor, see section E3-4.

Emissions to water relates to suspended solids, COD, chloroorganic compounds (AOX), nitrogen and phosphorous. SCA monitors water consumption and the quality of effluent water using process management and control programs.

To reduce emissions to water, SCA uses advanced water treatment plants at its pulp and paper mills and continuously measures and monitors emission levels as set out in environmental permits. SCA is also investing in process improvements to reduce levels of suspended solids and chemicals.

To minimize the risk of emissions during forestry operations, there are several procedures in place and follow-up is conducted, for example, in the form of internal audits on site.

To reduce potential emissions to air and water, emergency drills are performed at regular intervals at each unit to train for different scenarios. Following an exercise or incident, performance is evaluated to identify short and long-term improvements. These are then implemented throughout the organization as part of continuous improvement efforts.

SCA's pulp and paper mills and forest operations have environmental management systems certified according to ISO 14001 that include internal and external audits as well as improvement activities and compliance monitoring.

SCA has installed various systems, such as external treatment and electrostatic filters to minimize emissions, as well as monitoring systems to measure levels of various substances in emissions to water and air. The Company has not currently identified further measures requiring significant operating expenditure.

E2-3: Targets related to pollution

SCA has targets for emissions to air and water to minimize the environmental impact at manufacturing unit level. Targets are set based on the units' environmental conditions and monitored at unit level. SCA has chosen not to define aggregated targets for emissions to air as it is more effective to monitor emissions at unit level.

SCA has a Group-wide target to reduce emissions of particles to water by 10% by 2030 compared with the base year of 2020. The target has been set following internal discussions and is monitored annually at Group level. The quantity of particles is measured using the SS-EN 872:2005 method. In 2025, emissions of particles to water decreased by 39% compared with the base year of 2020 and by 13% compared with the preceding year. Continuous ramping up and minor capital expenditures have yielded a positive development. Reduced emissions of particles, suspended solids, also lead to reduced emissions of other environmental parameters linked to emissions to water. The targets chosen by SCA to reduce emissions to air and water are voluntary.

E2-4: Pollution of air, water and soil

Pollutants emitted to air and water are measured at SCA facilities. The environmental permits include conditions that require self-assessment programs for each facility. These control programs describe what is to be measured, at what times and by what method. Measurements are taken both automatically and manually.

Emissions to air and water are monitored within the framework of the inspection programs included in the applicable environmental permit. Environmental permits are set by the national authority and compliance is monitored by the supervisory authority (the County Administrative Board). The Company's pulp and paper mills are certified according to ISO 14001 and audited by an external party.

Emissions that are not continuously monitored using various meters are measured periodically or determined on the basis of emission factors. Pollutants discharged to water are calculated on the basis of the measured concentration of pollutants in the flow and measured flow volume. The concentration of pollutants is analyzed in laboratory tests on the outgoing wastewater. The wastewater flow is measured by flow meters, which are verified according to each factory's maintenance procedures to ensure accurate measurement. In some cases, emissions are not measured continuously but are instead measured on the basis of public factors agreed with authorities, such as emissions of metals to air that are calculated based on power input to the boiler.

The table below shows pollution from SCA's industrial activities.

	Outcome 2025 Amount of pollution		Measurement methodology		Measurement frequency	
Type of pollution	**emitted to air (kg)**	**emitted to water (kg)**	**air**	**water**	**air**	**water**
Carbon monoxide (CO)	2,337,175	-	Calculation / measurement		Samples / continuously	
Ammonia (NH_3)	329,545	-	IVL/SSVL 20211213		Yearly	
Non-methane volatile organic compounds (NMVOC)	1,462,202	-	IVL/SSVL 20211213		Yearly	
Nitrogen oxides (NO_X/NO_2)	2,104,543	-	NFS 2004:6		Continuously	
Sulphur oxides (SOx/SO_2)	199,463		NFS 2013:252,253		Continuously	
Total nitrogen	-	320,939		SS 028101-1		Days
Total phosphorus	-	34,260		SS 028101-1		Days
Arsenic and arsenic compounds (As)	34	54	IVL/SSVL 20211213	SS-EN ISO17294-2:2005		Days
Cadmium and cadmium compounds (as Cd)	20	58	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Chromium and chromium compounds (as Cr)	-	116	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Copper and copper compounds (as Cu)	135	1,568	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Mercury and mercury compounds (as Hg)	-	2		SS-EN ISO17294-2:2005		Days
Nickel and nickel compounds (as Ni)	130	159	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Lead and lead compounds (as Pb)	-	91	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Zinc and zinc compounds (as Zn)	622	10,422	IVL/SSVL 20211213	SS-EN ISO17294-2:2005	Yearly	Days
Halogenated organic compounds (as AOX)	-	34,815		SS028104-1		Days
Total organic carbon (TOC) (as total C or COD/3)	-	4,503,060		COD/3:Hach Lange LCK814, TOC:SS-EN 1484:1997		Days
Particulate matter to air (PM10)	174,425	-	SS 02 84 26		Samples / continuously	

ESRS E3 – Water and marine resources

E3 IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Water issues are increasingly important from a global resource perspective even if Sweden is a country with low risk for general water shortages. The World Resources Institute's Aqueduct Water Risk Atlas shows water availability in the world, where northern Sweden has a low risk (0–1) on a five-point scale. SCA's industrial plants are located in northern Sweden in areas with a plentiful supply of water in the form of large rivers and almost 100% of the supply of water to the plants is surface water from these watercourses. The remaining water is from municipal water systems.

In 2025, a double materiality assessment was conducted to identify material impacts, risks and opportunities for SCA's operations and value chain; refer to General information SBM-3 and IRO-1. To identify material areas, dialogue was carried out with internal experts and external stakeholders. Information was gathered from workshops, literature studies, supplier surveys, dialogues with suppliers and the credit market. The double materiality assessment indicates a potential negative impact resulting from the use of water in SCA's operations and value chain. No material impacts related to marine resources were identified.

No significant risks or opportunities related to water or marine resources were identified.

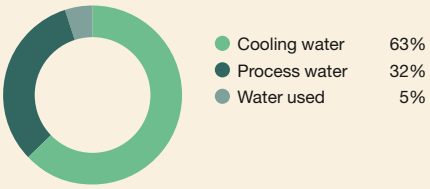
Water use in SCA's operations and value chain

SCA's pulp and paper mills use large amounts of water for cooling and as process water. Process water is used to transport biomass in the process and for washing in production. Water is almost exclusively taken from surface water sources in northern Sweden where the availability of water is good and where each facility's withdrawal of water constitutes a very small part of the normal flow. The impact on the local water balance is therefore considered negligible.

Responsible water management

SCA's larger industrial facilities are located in northern Sweden in areas with plentiful supply of water and almost 100% of the supply of water is from surface water from the rivers Piteälv, Umeälv and Indalsälven. SCA's total withdrawal of water from the three rivers constitutes as little as approximately 0.4% of their total annual average flow. Almost 100% is returned to the recipient Gulf of Bothnia.

Distribution of used water

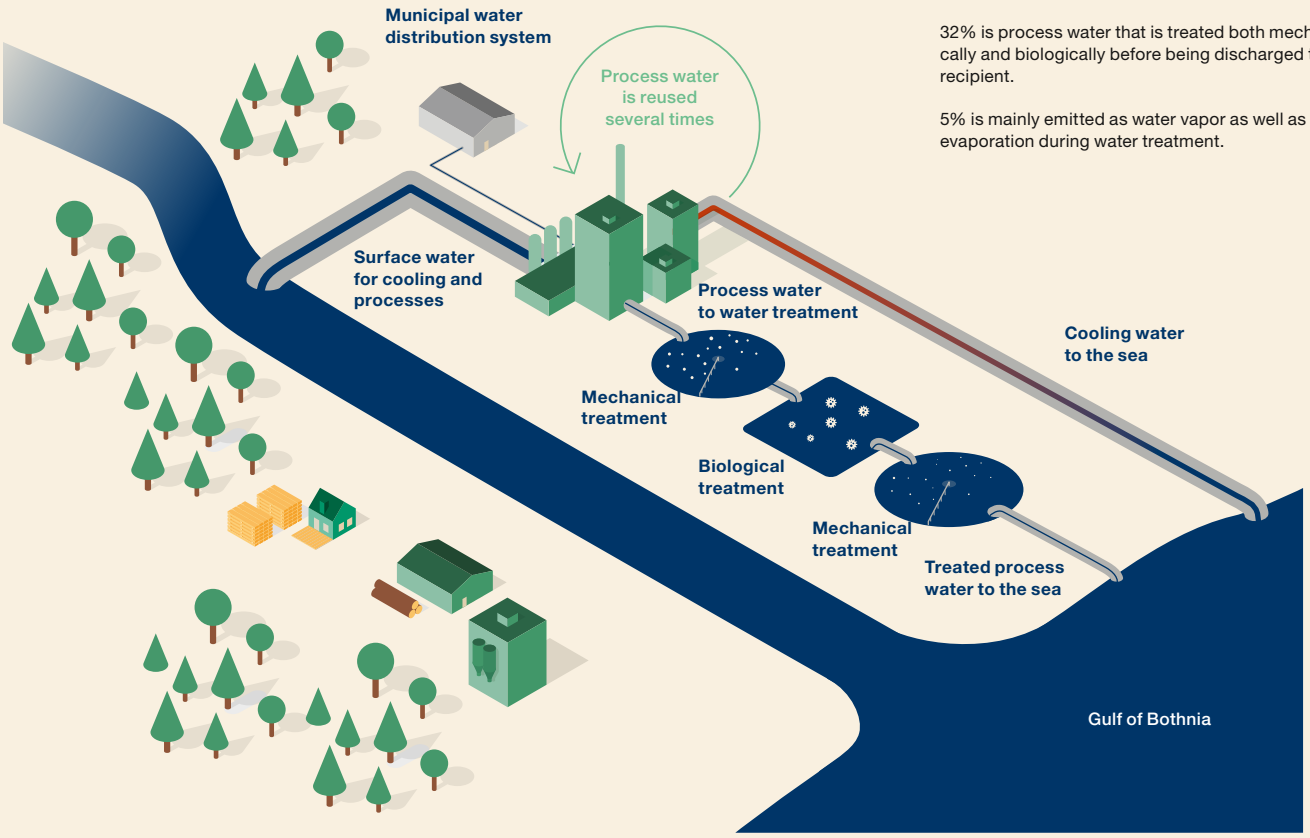


63% of SCA's water intake is used as cooling water and has no contact with the manufacturing process but can be discharged directly into the sea at a slightly elevated temperature.

32% is process water that is treated both mechanically and biologically before being discharged to the recipient.

5% is mainly emitted as water vapor as well as evaporation during water treatment.

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



Most water is used by SCA's industries for cooling and has not been in contact with process media. Process water represents about one third of total water use and is the part of the intake water that has been in contact with the industrial process. Process water is recirculated several times internally in each plant before being treated in a wastewater treatment facility and then discharged to the recipient.

Water is also used at several stages of SCA's value chain, such as in the production of input goods and spare parts or further processing of certain products. Even though most of SCA's own operations are located in regions with plentiful supply of water, sub-suppliers or downstream operators may be located in areas with potentially higher risk for water scarcity. For example, chemical production or recycling of end-of-life products may take place in geographical areas where access to water is more limited, which could increase the risk of impacting the local water balance. This has been assessed as a potential negative impact that could become more important in the future depending on how climate change and related impacts evolve over time.

Growing trees in SCA's forests depend on access to water to develop and generate good biomass growth. SCA monitors various climate effects scenarios and adapts its choice of seedlings when replanting its own forests so that they are better adapted to a warmer climate.

E3-1: Policies related to water and marine resources

SCA's Sustainability Policy forms the basis for the Company's work related to water resources. The Sustainability Policy states that SCA is to conduct its operations in a manner that minimizes its negative impact on people, the environment and the climate, and in a manner that – as a minimum – corresponds to requirements of applicable legislation. The Sustainability Policy explains that water is a limited global resource and that SCA's units are to optimize their water use based on local conditions such as water availability and type of recipient. See also in section E2-1 for policy related to pollution.

The Policy also states that the Company is to assess the climate and environmental impact of its processes and products from a life cycle perspective and involve suppliers and customers in this process. Continuous performance improvements to protect the environment and prevent pollution are part of routine process and product development work. These efforts include water use and the treatment of discharges, both of which support a sustainable water supply over time.

The Sustainability Policy is adopted by the Board and the Senior Vice President Sustainability and Communications is ultimately responsible for its implementation. The Policy applies to all operations in the entire SCA Group and is available publicly on sca.com. No significant impacts, risks or opportunities were identified related to marine resources, and it was therefore not considered relevant to address oceans and seas in the Company's policy.

E3-2: Actions and resources related to water and marine resources

SCA promotes the use of water-efficient technologies and processes and invests in water-saving technologies.

Process water is recirculated several times internally in each plant before being treated in a wastewater treatment facility and then discharged to the recipient. Each plant has customized control programs to monitor the effectiveness of the wastewater treatment facility and ensure that emissions do not exceed levels allowed under the awarded environmental permit. The temperature is also checked when the water is returned to the recipient.

The Company is working in various ways to control the quality of water discharged to the recipient and to reduce total process water use. Examples include ongoing analysis of the efficiency of the wastewater treatment facility, such as the chemical oxygen demand (COD) and particles in the discharged water (suspended solids). Other measures include environmental management systems with control programs, the recirculation of process water to reduce the need for fresh water intake, flow and temperature control of wastewater, inspection to detect possible leaks in gaskets, and investments in water-saving technologies. Permanent staffing resources at the industrial facilities operate the wastewater treatment facilities and monitor their efficiency through inspection and analysis of discharged water to the recipient.

During the year, no additional actions beyond regular monitoring, maintenance and water optimization were undertaken. The Company has not currently identified further measures requiring significant expenditure to reduce water use. The Company does not operate in areas with water risk or high water stress The Company's measures primarily cover its own operations. When relevant, water issues are discussed with the Company's suppliers.

E3-3: Targets related to water and marine resources

Pulp and paper production accounts for the largest volume of water used in SCA's operations. SCA's facilities are not located in areas with water risk or in water-stressed areas. The Company is nevertheless striving to reduce water use and is aiming to cut specific process water use at its pulp and paper mills by 5% by 2030, compared with the base year of 2020. The target has been set following internal analysis and taking into account the best available techniques (BAT). The target adopted by SCA to reduce water use is voluntary and not a legal requirement. External factors and trends were taken into account when formulating the targets, but external stakeholders were not involved in the final formulation of the targets.

The target is followed up quarterly and annually at Group level. In 2025 specific process water use increased by 7% compared with the base year, but decreased by 1% relative to the previous year. Compared to the base year, major investments have taken place to increase production capacity and publication paper operations have been discontinued. Work to ramp up the facilities is continuing to gradually achieve the target. The Company also has targets for emissions to water, as described in section E2-3.

E3-4: Water consumption

SCA uses flow meters to calculate its water use by measuring water intake and discharge to the recipient. The flow meters are checked and calibrated as required. The cooling water flow discharged to the recipient is normally not measured but calculated based on a direct measurement of water intake and discharge to the recipient and by estimating the amount of water consumed. The amount of water consumed is calculated on the basis of IVL report U3016, which presents the water profile for the Swedish forest industry and estimates consumption at approximately 5% of raw water intake. Consumption consists almost exclusively of water vapor from drying products and in flue gases from the mills' boilers, as well as evaporation in the wastewater treatment systems. A small amount of water is bound in outgoing products.

Large amounts of water are recirculated within each mill before being sent to external treatment and further to the recipient. Currently, none of the treated water is reused after external treatment. The Company does not store water.

Water consumption

	Outcome, million m³	
	2025	2024
Total withdrawal of water (water use)	**129**	**126**
of which, cooling water, discharged to recipient	82	80
of which process water, treated and discharged to recipient	41	40
Total water consumption in areas not at water risk	6	6
Total water consumption in areas at high water risk, including areas of water stress[1)]	0	0
Total water consumption	**6**	**6**
Total water recycled and reused[2)]	0	0
Total water stored	0	0
Total water volume, discharged to recipient	123	120

[1)] The Company does not operate in areas with high water risk or water stress.
[2)] Refers to process water after external treatment that is used and replaces raw water.

Water intensity

To calculate water intensity, the Company has used Group revenues, meaning net sales plus other operating income after elimination of internal sales.

The Company's revenue, see Note B1 in the financial statements, amounted to SEK 23,447m (23,627) in 2025, resulting in water intensity of 256 m³ per SEKm (254).

ESRS E4 – Biodiversity and ecosystems

E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model

SCA is Europe's largest private forest owner, with approximately 2.7 million hectares of forest land in northern Sweden, Estonia, Latvia and Lithuania. The forest forms the core of operations, and the Company's business model and strategy are based on its own forest. The Company's strategy for profitable growth includes a growing renewable forest asset, increasing the value of each tree and achieving a high degree of self-sufficiency in wood raw material, energy and logistics. The Company has built an integrated industrial ecosystem around the forest, where the harvested trees are used to manufacture renewable products that can replace fossil materials and fossil energy. The Company is dependent on access to wood raw material, from its own forests and also purchased from private forest owners, forest product companies and other landowners. Active and responsible forest management can have a negative impact on biodiversity by altering conditions for some species while benefiting other species. SCA's target is that the Company's forests are to be managed to make them at least as rich in biodiversity, nature experiences and wood raw material in the future as they are today, and 100% of wood raw material is to come from responsibly managed forests. Based on new knowledge and experiences from various research programs and trials, forestry has evolved over time as a means of preserving biodiversity and other forest values together with ensuring good raw material growth. Because forest processes are lengthy, it takes a long time to evaluate new methods. In addition, forests need to adapt to climate change.

The resilience of the Company's business model and strategy with respect to biodiversity and ecosystems was assessed based on a time perspective of approximately 100 years, which corresponds to an approximate rotation period in the forest. Forest processes are slow and it takes time to see the impacts of interventions. The assessment covers the Company's own forest holdings and the supply chain of wood raw material to SCA. The assessment is based on the fact that most of the Company's own forests are in northern Sweden and that more than 95% of the raw material comes from the same geography. SCA has good control over the supply chain of wood raw material since most external purchases are in the form of felling rights from private forest owners where SCA is responsible for conservation value assessments, planning and harvesting. Long-term efforts to monitor the condition of the forests through the Swedish National Forest Inventory's inventories and analyses have provided good statistics to monitor the development of several important parameters for biodiversity, such as the proportion of dead wood and the proportion of deciduous trees. The Swedish National Forest Inventory also presents statistics for developments in age and total standing volume. Transition risks related to policy decisions that may increase requirements to set aside land to benefit biodiversity or to contribute to national LULUCF commitments were not considered in the assessment, as definitions and interpretations are currently unclear. The valuation of potential impacts of policy decisions is an ongoing process. Other transition risks include access to new technologies that are expected to offer new opportunities for more efficient and low-impact forest management. Systemic risks, such as ecosystem collapse or biodiversity loss, are currently considered low in northern Sweden, the region on which the Company primarily depends for its supply of raw materials. The assessment is that the Company's business model and strategy have good resilience in relation to biodiversity. The wide distribution of forest holdings reduces the risk of local disturbances such as storms, fires or other forest damage. A warmer climate will mean a longer growing season, higher levels of carbon dioxide in the atmosphere and thus the probability of increased growth. However, storms and longer periods of drought may have a negative impact on growth, as may potential pest infestations and fungal diseases.

SCA performs important work to preserve biodiversity in various ways and to restore and recreate habitats for species that may be negatively impacted by forest management. This work is summarized in SCA's nature conservation strategy that combines active and responsible forest management with the preservation of biodiversity, protection of ecosystem services and other values in the forest, such as opportunities for recreation and nature experiences. Similarly, SCA's timber supply strategy preserves the biodiversity of the forests from which SCA purchases wood raw material. SCA's forest management is designed according to the Swedish model, which has been developed over an extended period and is based on knowledge from scientific work and field studies, and on experiences from certification systems such as FSC and PEFC. A variety of stakeholders have been involved, such as government authorities, forest research institutes, environmental organizations and representatives of reindeer herding. SCA monitors and participates in the continued development of forestry and the laws and regulations that govern the management and utilization of the forest in order to apply new methods and adapt its own work.

The basis and plan for the nature conservation work is the ecological landscape planning, which covers all of SCA's holdings and is continuously updated. In the ecological landscape planning and with the help of extensive natural value inventories, all land is classified into consideration categories that describe how the land is to be managed and used; refer to the description of the process for assessment of consideration category and measures to preserve biodiversity in the Company's forests in section E4-3. Biodiversity is taken into account in all activities in the Company's forests. In the voluntary set-asides category, land is completely excluded from harvesting or is subject to conservation management to promote biodiversity. Other consideration categories are areas with combined targets and areas with adapted retention. On other productive forest land general consideration is given in connection with forestry measures.

E4 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

SCA is dependent on the availability of wood raw material and viable, functioning ecosystems for its supply of wood raw material, business model and strategy. It is therefore important that the wood raw material used is sourced from responsibly managed forests where consideration is shown for biodiversity and the forest's other values. In the completed double materiality assessment, the Company's material impact on biodiversity and ecosystems was considered to be mainly the result of active forest management in the Company's own forest, and in the upstream value chain from forests from which it purchases wood raw material.

Direct impact drivers of biodiversity loss

Large-scale forestry may have a direct impact on biodiversity, such as through harvesting, soil scarification and the construction of forest roads. Forestry can affect the habitats, proliferation and distribution opportunities for different species. Forestry may also have a negative impact on watercourses if consideration is not shown. Furthermore, active forest management may lead to better monitoring, and as a result natural disturbances, such as forest fires, may be less frequent. When there are fewer natural disturbances, a need has been identified for controlled fires (prescribed burning) to benefit species that depend on burnt wood. Lack of natural disturbances has been considered as an actual negative impact in the Company's own forest and in forests where purchased raw material is harvested.

Impacts and dependencies on ecosystem services

Active forest management includes various measures such as harvesting, soil scarification, replanting and road construction over large areas and can lead to less variation in the forest landscape. Large-scale forestry can impact the natural capacity of forest ecosystems to deliver important ecosystem services, such as water purification, water flow regulation, climate regulation through carbon sequestration, biodiversity conservation and recreational values. This has been deemed a potential negative impact in the medium and long term, both in own forestry and in the upstream value chain for externally sourced wood raw material.

SCA conducts structured and systematic work with ecological landscape planning, nature consideration and protection of particularly valuable habitats, which contributes to the conservation of biodiversity and ecosystem functions in the boreal forest. The Company's large land holding enables coordinated efforts over larger landscape sections, which according to some stakeholders, including nature conservation participants, could complement and amplify public nature conservation efforts. SCA possesses the resources and planning capacity to identify and implement actions where other stakeholders have more limited prospects. In this way, responsible forest management can contribute to strengthening the ecological values of managed forests. Ecologically

sound forest management has been deemed a potential positive impact in the medium and long term.

SCA is dependent on well-functioning ecosystems in order to conduct efficient and sustainable forestry and to gain access to renewable raw materials. Deterioration of ecosystem services that impacts forest production capacity may have a negative impact on forest growth. Changed conditions in the forest due to climate change or restrictions in land use due to political decisions that increase demands for nature restoration could have a negative impact on the supply of raw material and lead to increased costs for wood raw material. This has been deemed a financial risk in the long-term.

SCA's business model is based on responsibly managed forests and renewable raw materials, which provides the Company with a good position in the transition to a bio-based and circular economy. By offering products that replace fossil-based alternatives, such as wood products and renewable packaging materials, SCA meets demands from customers and end consumers for products with a lower carbon footprint and higher traceability. This has been considered as a financial opportunity in the short, medium and long term.

Impacts on the state of species

Forestry may affect species that depend on forest structures that are slowly created through natural processes and disturbances in the forest landscape. This has been considered as a potential negative impact in the long term.

The Company is currently considered to have a limited impact on the size and proliferation of populations. Potential impacts have been studied by analyzing species that could be negatively affected by active forest management. The starting point was the Swedish Species Information Centre's Red List (SLU) using the following criteria: species found in northern Sweden, can be affected negatively by forestry, and are observed on SCA's land. Out of a total of approximately 7,400 forest species in northern Sweden, 685 species were identified on the red list that could be negatively affected by forestry. Of these, there were significant occurrences of 203 species on the Company's land holdings. These represent SCA's Species Commitment. The Company is working proactively to preserve, develop and recreate prioritized habitats for SCA's Species Commitment, see also section E4-3.

Material sites near a biodiversity sensitive area

The table below provides an overview of the Company's different operations and the number or hectare per category located in or adjacent to biodiversity sensitive areas. Biodiversity sensitive areas have been defined as Natura 2000, UNESCO World Heritage sites, national parks and Key Biodiversity Areas (KBAs). To identify KBA areas, the KBA Map search has been used.

SCA's production sites are located in Sweden and the forest holdings are located in four different countries. The Swedish forest holdings are large in terms of total area and have been reported on one line as they are subject to the same legislation and internal procedures and as no area is deemed to have a major impact on biodiversity sensitive areas. In addition, decisions on actions are always taken individually for each area to best protect sensitive conservation values. The assessment was made by mapping the Company's holdings of forest land against biodiversity sensitive areas, according to the definition above. The assessment of impact has, for all countries, been based on the respective forest area's consideration category and management plan.

The 115,857 hectares identified on the Company's Swedish land holdings consist of a large number of departments. Most of these are close to Natura 2000 areas, mainly adjacent to watercourses. The assessment is that the Company's impact on biodiversity within the sensitive areas is low for all departments, as they already constitute voluntary set-asides or through the consideration that has been taken or is planned.

One site was identified near a biodiversity sensitive area. The impact of the unit on the area is considered minor and is managed within the framework of the site's environmental permit.

Operations/activity	Number near sensitive area	Hectares near sensitive area	Assessment of impact
Sawmills and wood processing	1	N/A	Low
Pulp and paper mills	0	N/A	N/A
Pellets production	0	N/A	N/A
Forest holding, Sweden	N/A	115,857	Low
Forest holding, Estonia	N/A	201	Low
Forest holding, Latvia	N/A	1,565	Low
Forest holding, Lithuania	N/A	619	Low

E4 IRO-1: Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

SCA conducted a double materiality assessment of the Group's operations and value chain to identify impacts, risks and opportunities. The process is described in General information IRO-1 and an outline of the outcome is presented in General information SBM-3. All risks are included in the Company's risk management process that is reported in the risk section of the Board of Directors' Report. Developing opportunities is part of the Company's strategy process. Scenario analyses formed part of the analysis and are described in the risk section in the Board of Directors' Report. Systemic risks, such as ecosystem collapse or biodiversity loss, are currently considered low in northern Sweden, the region on which the Company primarily depends for its supply of raw materials and a more thorough analysis of these has therefore not been performed as part of the materiality assessment.

To identify material impacts, risks and opportunities linked to biodiversity and ecosystems, dialogue was carried out with internal experts and external stakeholders. This included workshops, literature reviews and stakeholder dialogues with customers, investors, suppliers, the credit market, representatives of reindeer herding and environmental organizations. The annual stakeholder dialogues for the Company's five conservation parks provide an opportunity for dialogue with local residents on forest management and the forest's other values. Continuous monitoring of proposals for new laws and regulations is also an important part of identifying, assessing and addressing potential risks.

Forest management and legislation in Sweden have evolved over time to reduce the risk of negative impacts on biodiversity and ecosystems. Swedish legislation has a strong focus on sustainable forest management and protection of conservation values, though there are still challenges and risks to be addressed. Below are examples of challenges and risks related to forestry that could negatively impact biodiversity and ecosystems and that were taken into consideration in the double materiality assessment.

A low degree of variation in tree species or age in the forest could lead to less varied forests. This could reduce the variety of both plant and animal species that thrive in different types of forest environments.

Forestry can lead to the loss of habitats such as older forests unless such forests with high conservation values are voluntarily protected or managed using, for example, continuous cover methods. Forestry can also lead to a shortage of substrates such as thick dead wood and old trees if these are not retained through nature conservation measures in forestry operations. These environments are important for the survival of certain species.

Forestry can lead to habitat fragmentation if large contiguous forest areas are divided into smaller areas, which can make it more difficult for species to disperse and interact with other populations to increase genetic diversity. Ecological landscape planning is therefore important for planning management and nature conservation measures over longer periods and across the landscape.

Forest fires are an important feature of the boreal ecosystem and many flora and fauna are dependent on burnt substrates and fire-razed areas without competing vegetation. Today's active forestry has effective fire suppression and fewer fires thus occur, which can be compensated for through prescribed burning.

Forestry can impact soil water flows when harvesting on moist land and near watercourses unless proper consideration is given in the form of buffer zones and that driving and ground damage is avoided near these areas. This can impact both flora and fauna that depend on these

ecosystems and can impact water quality if substances present in the soil are transported to watercourses.

Forestry also needs access to roads, for example to transport harvested timber from the forest to consumers. Vehicle roads can disturb the forest landscape, but can also make it easier for people to get out into nature. Roads also reduce the need for skidding for long distances, which helps to reduce CO_2 emissions and can reduce the risk of soil damage on sensitive passages.

E4-2: Policies related to biodiversity and ecosystems

SCA's Sustainability Policy, SCA's nature conservation strategy and instruction for sourcing of wood raw material, combined with the set targets, form the basis for the Company's work to preserve biodiversity and ecosystems (sustainable land policy). Areas covered include biodiversity, responsible forest management, responsible fiber sourcing, minimizing negative impacts on people and the environment, respect for human rights, climate impact and resource efficiency. The Policy also states that SCA's forest management must be practically and scientifically proven and developed in collaboration with research and key stakeholders.

SCA's Sustainability Policy is adopted by the Board and the Senior Vice President Sustainability and Communications is ultimately responsible for its implementation. The Policy applies to the entire SCA Group and is available publicly on sca.com. The work is followed up at Group level by SCA's Sustainability Council, which reports to Executive Management and to the Board of Directors.

SCA strives to achieve active and responsible forest management, where forestry operations are combined with a high level of production of renewable raw material with great consideration to preserve or develop the forest's other values such as:

- Biodiversity
- Water quality
- Coexistence with reindeer husbandry
- Cultural heritage sites and ancient remains
- Recreation and outdoor activities
- Other industries dependent on forests

SCA performs extensive work to preserve biodiversity in various ways and to restore and recreate habitats for species that may be negatively impacted by forest management. This work is summarized in SCA's nature conservation strategy that combines active and responsible forest management with the preservation of biodiversity, protection of ecosystem services and other values in the forest, such as opportunities for recreation and nature experiences.

Similarly, SCA's timber supply strategy preserves the biodiversity of the forests from which SCA purchases wood raw material. SCA's forest management is designed according to the Swedish model, which has been developed over an extended period and is based on knowledge from scientific work and field studies, and on experiences from certification systems such as FSC and PEFC. A variety of stakeholders have been involved, such as government authorities, forest research institutes, environmental organizations and representatives of reindeer herding. The instruction for sourcing of wood raw material is to ensure that wood raw material is sourced from forests that are managed responsibly and take biodiversity into consideration. As a minimum requirement, all purchased raw materials must meet the requirements of FSC's Controlled Wood Standard. When sourcing wood raw material, SCA works systematically to ensure good working conditions and appropriate nature conservation measures, also outside the Company's own forests.

The Company applies a sustainable harvesting strategy to ensure an increasing stock of standing forest over time, which is developed through advanced harvesting calculations based on regular inventories of SCA's own forest holding. Laser scanning of the forest holding is an important advance in methods to optimize the analysis of the forest holding. An analysis of forests in areas where SCA purchases wood raw material from external suppliers, shows that the standing forests are increasing over time. Certification according to FSC Chain of Custody and applicable EU regulations ensures the traceability of the raw material from the forest to the finished product. SCA is opposed to deforestation and does not source wood raw material or other raw materials from regions where deforestation occurs.

E4-3: Actions and resources related to biodiversity and ecosystems

SCA's forestry has developed, and continues to develop, to combine active forest management with consideration for the forest's other values. Conducting forestry in a responsible manner and with a conscious strategy to preserve and enhance conservation values has a positive impact on biodiversity by preserving, developing or restoring habitats and by promoting a diverse forest structure. From a mitigation hierarchy perspective, the Company's measures are based on avoiding or minimizing negative impacts on high conservation values. The Company also strives to strengthen and develop existing conservation values and to create conditions for future habitats that favor endangered species.

SCA takes a large number of actions every year to protect biodiversity and continue to develop forestry through its own measures and together with authorities and neighboring landowners as well as through research and development projects. Opinions are gathered through dialogues and consultations with various stakeholder groups such as authorities, relevant reindeer husbandry communities and other landowners. Compensation measures for biodiversity are not part of SCA's action plans to achieve the nature conservation strategy.

SCA has five conservation parks in Sweden. The parks are larger forest areas that SCA manages to benefit biodiversity and highlight cultural heritage or recreational values. Stakeholder dialogues are held every year for each of the five conservation parks on how the forest should be managed with regard to the different conservation values in the park. A diverse range of measures and management methods are assessed in the parks to strengthen existing conservation values, create new conservation values and evaluate new uses.

The Company collaborates with other landowners and authorities to work together with effective actions to promote biodiversity. Discussions are held with customers on issues such as wood supply chains, responsible forest management and climate impacts with respect to biodiversity. The Company has also developed procedures to identify and protect cultural heritage objects and ancient monuments in its forests.

Forest management is an integral part of the Company's operations and is organized in the Forest business area. Nature consideration is taken into account in all forest operations and dedicated resources exist for work on nature conservation. Other than operating costs, the Company has not identified any significant additional costs in 2025.

Nature conservation strategy promotes biodiversity

SCA's nature conservation strategy describes how the Company plans to manage the forest to promote biodiversity and the forest's other values and minimize negative impacts. The nature conservation strategy is based on known research and has a long-term perspective. Ecological landscape planning is performed by identifying larger geographical areas, where different values at a local level create and reinforce specific conservation values in a landscape.

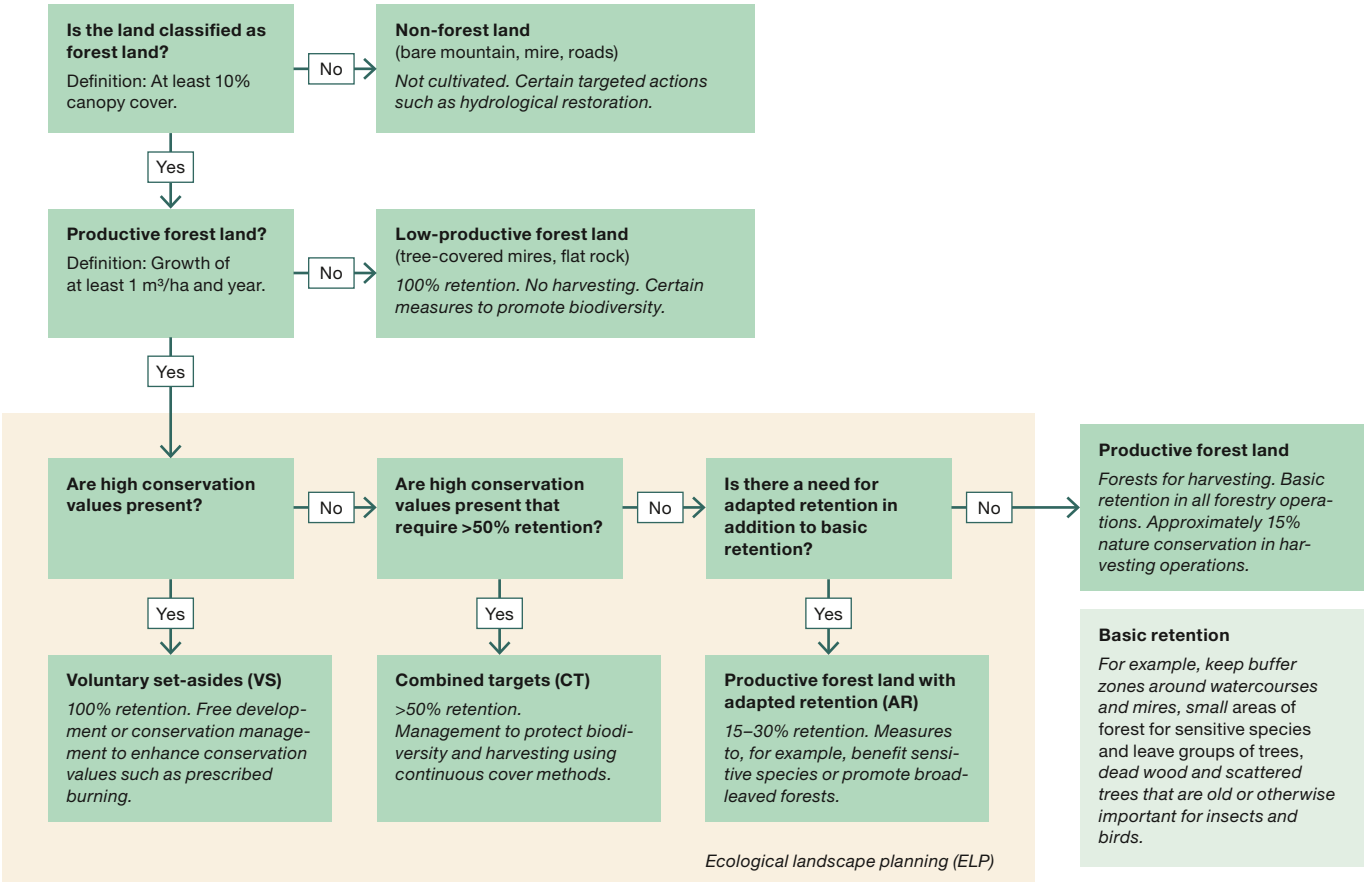
Areas that provide vital habitats for sensitive flora and fauna are either excluded from harvesting through voluntary set-asides, enhanced though alternative forms of production or maintained using various levels of environmental consideration. Forest set aside from harvesting or managed using continuous cover forms of forest management are included in our ecological landscape planning, which SCA has developed for its entire holding. The ecological landscape planning is an ongoing process with a purpose to achieve the highest conservation benefit. Planned and implemented nature conservation measures are documented.

Process for assessing consideration category and measures to preserve or promote biodiversity in the Company's forests

Classification of consideration category

Several parameters are weighed up to determine which consideration category to apply. For example, the quantity and quality of dead wood, frequency of old trees and the presence of broad-leaved trees are assessed. The type of biotope also affects the assessment, as does the presence of threatened species.

The levels are carefully calibrated and result in a score that guides the classification of the consideration category for each forest holding. The assessment is carried out by employees who receive regular training on the applicable criteria and support is provided by nature conservation experts as required.



Conservation areas

Larger contiguous areas or clusters with higher concentration of high conservation values.
Higher nature conservation ambition apply in these areas through a higher occurrence of VS, CT, AR and targeted actions.
In about ten areas of consideration, adaptations are made to benefit ÅGP species that require management, see section E4-3.

Work to promote conservation values and biodiversity is conducted according to the following principles: preserve, develop and recreate.

- **Preserve** – Work focuses on preserving and promoting conservation values already present on forest land. The highest conservation values are protected by setting aside 7% of the productive forest area as voluntary set-asides. Prioritization is based on conservation value assessments and species abundance. A further 6% of the area is made up of forest managed with continuous cover forestry or adapted retention, where habitats in the forest are preserved at the same time as wood can be extracted. On average, 10–15% of the area is excluded from regeneration harvesting as general nature conservation measures for habitats that already exist in the forest landscape, for example in the form of protection zones against watercourses and wetlands and smaller consideration-demanding biotopes. Habitats include old multi-layered pine forest, spruce swamp forests and broadleaf-rich coniferous forest with an abundance of old aspen, selective harvesting of multi-layered spruce forests or gap-cutting of pine and broad-leaved forests.
- **Develop** – Actions are conducted in the form of nature conservation measures to strengthen and develop conservation values over time. This is a long-term initiative and will take many years before the effects can be followed up. Examples of measures are prescribed burning, rewetting of wetlands, removal of tree competition from spruce in pine or broad-leaved forests, tree veteranization of pine to create valuable wood that imitates the wood after being exposed to a forest fire. The measures are mainly carried out in the Company's voluntary set-asides, but conservation measures can also be performed in forests with combined targets or adapted retention.
- **Restore** – Actions are conducted to create or provide conditions for future habitats, future biotopes, which do not already exist in the areas where the actions are carried out. These efforts aim to restore diversity in the landscape, but their results are only evident over time. This could include the establishment of broad-leaved forest in conjunction with regeneration planting, clearing or thinning, the creation of future biotopes when thinning pine forests with low conservation values or reducing fragmentation in designated ÅGP landscapes where productive forest land is adapted to SCA's Species Commitment that is dependent on pine or broad-leaved forests.

On productive land, there are identified areas – referred to as consideration areas – with higher conservation values and presence of species covered by SCA's Species Commitment than outside the consideration areas. They contain a higher proportion of voluntary set-asides, continuous cover methods and adjustments in forest management, and nature conservation measures are prioritized in these areas.

Conservation value inventories, follow-up meetings on site and discussions with stakeholders are important aspects of efforts to assess negative impacts, the effect of implemented actions and in identifying the need for improvements. Consultation and co-planning are carried out together with relevant reindeer herders to identify and plan forestry measures such as harvesting, thinning, road clearing and choice of tree species for replanting, taking into account the needs of the reindeer herders and to avoid negative impacts.

This nature conservation work requires a high level of expertise among SCA employees and contractors, extensive inventories of conservation values in the Company's forests, and stakeholder dialogues. A conservation value assessment on site is carried out before all regeneration harvesting and a complementary inventory is performed by personnel with specialist expertise in forests that may contain high conservation values.

For many years, ecological landscape planning has included dialogue with the county administrative boards and the Swedish Environmental Protection Agency about which forests are best suited for formal protection.

The table Actions to promote biodiversity shows the actions carried out and how these contributed to habitats of special importance to promote SCA's Species Commitment.

SCA's Species Commitment yields greater precision in nature conservation work

There are an estimated 7,400 forest species in northern Sweden, where SCA has most of its forest holding. Of these, approximately 700 are red-listed according to the Swedish Species Information Centre and could potentially be affected by forestry operations. In 2020, SCA carried out an initiative together with the Swedish Species Information Centre and external expertise to identify which of these species are present on SCA's land holding in order to develop and increase the precision of work to preserve and expand biodiversity conservation measures. This initiative identified 203 species that can be considered particularly affected by SCA's forest management and therefore species that SCA has a particular responsibility for. These species are referred to as SCA's Species Commitment and mainly comprise fungi, beetles, mosses, lichen as well as insects and certain birds.

Based on the species' ecology, a number of different habitats were identified upon which the selected species are dependent. By focusing nature conservation measures on these habitats, SCA can work in a resource-efficient manner together with other landowners and authorities to create favorable conditions for the survival of these species in the managed forest landscape. Various measures and targeted initiatives are implemented to recreate biotopes and valuable substrates, with prescribed burning and wetland restoration as two examples. Burning takes place in both clearcut areas and as a regeneration method and in forests set aside for nature conservation purposes. Wetland restoration was performed in open wetlands to restore hydrology after past drainage.

As part of SCA's Species Commitment, SCA also identified species that require active conservation measures in order to survive over the long term. Some 30 species covered by SCA's Species Commitment are so called ÅGP species. ÅGP is special action programs for threatened species and habitats developed by the Swedish Environmental Protection Agency and the Swedish Agency for Marine and Water Management. The measures mainly consist of conservation management, such as prescribed burning, creating dead wood or the restoration of watercourses. They may also include restoration to increase the extent of the habitat on which the species depends, such as creating deciduous forest and multi-layered pine forest. Far more than the roughly 30 highlighted ÅGP species will benefit from these types of actions.

To date, SCA has identified approximately 10 ÅGP landscapes, in just over 73,000 hectares, for species that require landscape-wide adjustments, such as spider beetles and powder-post beetles. The conservation values in these landscapes are typically linked to either deciduous or

Distribution by consideration category

The table shows the distribution of productive forest areas by consideration category.

		Sweden		Baltic region[1]	
Consideration category, share of productive forest land	**Ambition**	**2025**	**2024**	**2025**	**2024**
Basic retention	87%	88%	88%	83%	83%
Voluntary set-asides[2]	7%	8%	8%	**5%**	5%
Expanded retention[3]	6%	4%	4%	12%	12%
Area of productive forest land, million ha		**2.0**	**2.0**	**0.07**	**0.07**

[1] For the Baltic region, no ambition has been set as the process to acquire land up to 100,000 ha is ongoing and the forest holding is under development, including replanting.
[2] Includes areas that have been protected or may in the future be formally protected, for example in the form of nature reserves. In total, at least 10 percent of the productive forest land must be voluntarily set-aside or managed with combined objectives for the long-term preservation and primary development of conservation values and/or social values.
[3] Expanded retention encompasses combined targets and productive forest land with adapted retention, see process map.

pine forests, though it is also common that the habitats are isolated from each other. Measures are prioritized in these landscapes to improve the quality of existing habitats and to restore habitats that the species can utilize in the longer term. Through higher precision in nature conservation activities, the restored habitats link together existing habitats and improve the functionality of the landscape over time through higher quality, larger living spaces and better opportunities to spread. Targeted species inventories in recent years discovered the presence of previously unknown very unusual ÅGP species, on SCA land, which is clear confirmation of the major significance of the designated ÅGP landscapes. Geographic distribution and active conservation focus in these landscapes are regularly reviewed to create the highest nature conservation value. In 2025, nature conservation measures were implemented to promote biodiversity in 8,300 (7,078) hectares in both productive forest land and in forests with existing high conservation values. In addition, clearing and thinning were carried out to create deciduous forests.

Responsible fiber sourcing

There is a risk that purchased wood raw material is sourced from forests that are not managed responsibly and do not take biodiversity into consideration. To minimize this risk, all wood raw material used in SCA's products must originate from responsibly managed forests. All wood raw material bought by SCA is covered by Chain of Custody (CoC) rules and must at least fulfill the requirements of the FSC Controlled Wood Standard (FSC CW). This means the wood raw material must not come from controversial sources, which includes wood from illegal logging, from forests with high conservation values where these values are threatened by forestry and forests where the rights of indigenous people or human rights are being violated. SCA's wood procurement operations are third-party certified in accordance with PEFC Chain of Custody and FSC Chain of Custody. SCA works actively to increase the percentage of wood raw material from forests certified. SCA encourages non-certified landowners to apply the same on-site retention standards as those deployed in SCA's

Actions to promote biodiversity

The table shows forest management measures conducted to promote biodiversity that have benefited biodiversity within SCA's Swedish forest holding and examples of habitats and species that are promoted by these actions and that are important for SCA's Species Commitment. More measures are implemented in the different consideration categories than those specified in the underlying lines. The total number of hectares per consideration category is therefore slightly higher than the sum of the underlying lines. In addition to the measures listed below, basic retention was used in 14.5% of regeneration harvesting in 2025.

			Number of hectares	
Measures taken	**Important habitats for SCA's Species Commitment**	**Example of SCA's Species Commitment**	**2025**	**2024[1)]**
Nature conservation measures in voluntary set-asides			**128**	**160**
of which pine dominance	Light pine forests with continuity of dead wood	Hypocenomyce anthracophila, Pilatoporus primaevus, Acmaeops marginata	87	
of which broadleaf-rich coniferous forest	Broadleaf-rich forest with dead wood	Gloeoporus pannocinctus, Collema subflaccidum, Xylomya czekanovskii	35	
Combined targets (such as selective harvesting, individual tree selection and gap-cutting)			**2,206**	**1,531**
of which pine dominance	Light pine forests with continuity of dead wood, open sand pine forest	Tricholoma apium, Cladonia parasitica, Antrodia albobrunnea	529	
of which spruce forest dominance	Coniferous natural forest with forest continuity and/or dead wood	Amylocystis lapponica, Epipogium aphyllum, Platismatia norvegica	675	
of which broadleaf-rich coniferous mixed forest	Broadleaf-rich forest with dead wood	Collema curtisporum, Melandrya dubia, Hericium coralloides	370	
of which coniferous mixed forest	Coniferous natural forest with forest continuity and/or dead wood	Goodyera repens, Alectoria sarmentosa, Hydnellum aurantiacum, Phlebia centrifuga	490	
Adapted retention (screens where deciduous trees are saved for the future or production with areas of adapted retention)			**2,708**	**2,828**
of which pine dominance	Light pine forests with continuity of dead wood, open sand pine forest	Hypocenomyce anthracophila, Nothorhina muricata, Bankera fuligineoalba	1,132	
of which, spruce dominance	Coniferous natural forest with forest continuity, broadleaf-rich forest with dead wood	Alectoria sarmentosa, Phellinidium ferrugineofuscum, Peltis grossa	405	
of which, deciduous dominance	Broadleaf-rich forest with dead wood, living/dead trees in sunny, open location	Collema subnigrescens, Laemophloeus muticus, Xyletinus tremulicola	396	
of which coniferous mixed forest	Coniferous natural forest with forest continuity, broadleaf-rich forest with dead wood	Haploporus odorus, Lobaria pulmonaria, Bryoria nadvornikiana	615	
Other measures				
Seed tree stands, shelter trees retained for the future	Living, dead trees in sunny, open location, open sand pine forest with tree continuity	Nothorhina muricata, Ural owl, Sarcodon squamosus	1,184	1,516
Prescribed burning for biodiversity conservation[2)]	Fire-razed areas	Stephanopachys substriatus, Gloeophyllum carbonarium, Melandrya dubia	96	193
Restoration measures in production stands in ÅGP landscapes	Broadleaf-rich forest with dead wood, light pine forests with continuity of dead wood	Collema curtisporum, Acmaeops marginata, Melandrya dubia	1,623	453
Wetland restoration projects[3)]			355	397
Total[4)]			**8,300**	**7,078**

[1)] Minor adjustments to the outcome for 2024 were made using updated data after the publication of the 2024 Annual Report. These adjustments were due to delayed registrations of actions performed in 2024 and these actions have been added to the outcome for last year. Sometimes the figure has decreased, which is due to ongoing adjustments of stand boundaries in the GIS system.

[2)] Prescribed burning is carried out in voluntary set-asides.

[3)] The restoration of open wetlands on SCA land performed by SCA and in cooperation with other parties. After-care of recent peat cutting sites closed in 2025, 0 hectares (155).

[4)] Areas to be added for basic retention when harvesting in productive forest that in 2025 amounted to 14.5%.

own forests. This is referred to as SCA retention and corresponds to certification requirements. When sourcing wood raw material, SCA works systematically to ensure good working conditions. Almost all wood raw material used by SCA comes from Sweden, see table below. In addition to the wood raw material harvested in the Company's own forests, the Company harvests most of the wood raw material it purchases from private landowners. This provides the Company with effective control over the wood raw material used. No wood raw material originates from Russia, Belarus or any other country subject to EU or UN sanctions.

Country of origin, percentage of wood raw material used	2025	2024
Sweden	96.6%	95.7%
Estonia, Latvia, Lithuania	2.5%	3.5%
Other	0.9%	0.8%

SCA's production facilities used 11.0 million (10.9) cubic meters of wood raw material in 2025.

E4-4: Targets related to biodiversity and ecosystems

SCA's target is that SCA's forests are to be managed to make them at least as rich in biodiversity, nature experiences and raw material in the future as they are today and 100% of wood raw material is to come from responsibly managed forests. All targets and metrics form part of the Company's voluntary reporting and are not a legal requirement.

SCA has defined the ambition level for the proportion of SCA's productive forest land in Sweden that is to be set aside from active forest management or managed using alternative forms of forest management. This is measured as a share of productive forest land and by consideration category, see the table Distribution by consideration category, where ambition level and outcome are reported. Each consideration category has thresholds for the share of nature conservation specified, which are presented in the process description Process for assessing consideration category and measures to preserve or promote biodiversity in the Company's forests. Organizationally, responsibility lies with the Forest business area. The level of ambition has been designed in line with certification requirements according to FSC Forest Management.

SCA implements many different actions to promote biodiversity in SCA's forests. Structured work is carried out and focuses on habitats that promote SCA's Species Commitment. SCA's target is to work proactively to contribute to biodiversity by preserving, developing and recreating prioritized habitats for SCA's Species Commitment. The target is measured as the number of hectares per year where different measures have been implemented to benefit biodiversity and is reported in the table Actions to promote biodiversity.

To monitor the development of biodiversity in the Company's forests, SCA has chosen to follow a number of indicators that are important to biodiversity, such as the proportion of dead wood and the proportion of deciduous trees, refer also to section E4-5. At present, these indicators and their development over time on SCA's land in Sweden are monitored in relation to northern Sweden as a whole. These indicators are established ways to monitor the development of biodiversity and are used by the Swedish National Forest Inventory at national level. The Swedish National Forest Inventory has collected data from sample plots in forests throughout Sweden, which provides a basis for monitoring developments over a long period of time. This is essential in evaluating the development of biodiversity as it takes a long time to see the results of the measures taken. The Company obtains primary data for the sample plots on SCA's land. The Company itself does not know the location of the sample plots. Data is obtained from Sweden's official statistics, Skogsdata 2025, the Swedish University of Agricultural Sciences (SLU) in Umeå. SLU collects data from the sample plots with a rolling five-year interval and accordingly the data presented refers to five-year averages. Outcomes are updated annually and reported for productive forest land, excluding formally protected areas, on SCA's land. Sample plots located on land sold by the Company during the year are excluded from the trends and the point of reference. To obtain a representative base to follow developments, a mean value was chosen of outcomes between 1996 and 2000 as the starting point. Currently, equivalent statistics are not available for holdings in Estonia, Latvia and Lithuania, which is why the follow-up only covers the Swedish holdings.

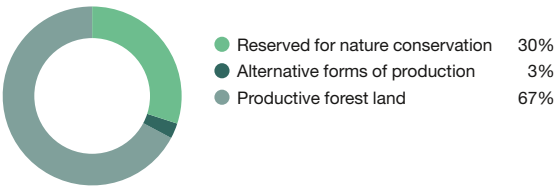
To ensure that the wood raw material is sourced from responsibly managed forests, the Company has requirements and targets that 100% of wood raw material must at least meet FSC CW. The Company also has a target that 75% of wood raw material shall come from certified forestry or harvested with SCA retention. Certified raw material means the wood raw material is from forestry that is certified according to FSC or PEFC. SCA retention means the wood raw material is harvested with the same nature conservation requirements as FSC-certified forestry. Follow-up is conducted on the volume delivered to the Company's production facilities and reported on an annual basis.

For many years, SCA has worked to preserve and promote biodiversity, both on its own initiative and as part of collaborations in the form of research programs and the development of certifications. The Company's nature conservation strategy is based on this long-standing experience and work is continuing to develop over time based on new knowledge and experience. The UN's Kunming-Montreal Global Biodiversity Framework aims to halt and reverse ongoing biodiversity loss globally. The agreement is translated into national requirements and SCA is monitoring the progress of this work as well as relevant directives from the EU to adjust its own targets as needed. The many years of work by SCA means that approximately 33% of the Company's forest land is set aside for nature conservation measures or managed using alternative methods, see table and figure below, which is in line with the vision of the Kunming-Montreal framework. The set aside area includes voluntary set-asides, basic retention and low-productive forest land. The area that uses alternative methods includes combined targets and productive forest land with adapted retention.

Distribution SCA's forest land in Sweden, 2025	Area
Reserved for nature conservation[1)]	673,000
Alternative forms of production[2)]	81,000
Productive forest land	1,513,000
Total forest land	**2,267,000**
Non-forest land[3)]	333,000
Total land holding, million hectares	**2,600,000**

[1)] The area reserved for nature conservation measures includes voluntary set-asides, basic retention and low-productive forest land.
[2)] Includes combined targets and productive forest land with adapted retention.
[3)] Includes, for example, mires and roads.

Distribution forest land, Sweden



E4-5: Impact metrics related to biodiversity and ecosystems change

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 a large number of 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, and old forest with specific indications of conservation value. All indicators are seen to represent important factors for biodiversity in the forest. Sample areas located on forest land that were sold by SCA during 2025 have been excluded in the analysis and in the determination of reference level. However, it only results in marginal differences compared with previously reported data, and has a minor impact on the interpretation of the indicators' development over time.

The amount of dead wood in the forest landscape is an established indicator to estimate the conditions for biodiversity, since many species are dependent on dead wood at various stages of degradation. The supply of thick deciduous trees is another important indicator that benefits certain bird species, eventually producing habitats in the form of old, dead hardwood. Since there is some uncertainty in the data for each year, the relative development by indicator is primarily monitored.

The development of all indicators on SCA's land was very positive and is due to the Company's initiatives in relation to voluntary set-asides, the conservation approach taken in connection with final felling and changed conservation strategies. In terms of dead wood, the impact of major windthrow was also noted. The volume of dead wood has increased by approximately 44% compared with the starting point, see above. The increase is tangible from 2011 and is mainly the result of dead trees being left following storms (2011, 2013) and insect damage (2009–2016).

The volume of thick deciduous trees increased by 86%. The increase mainly consists of a greater number of thick deciduous trees in old forest. For thick deciduous trees, which are present in relatively few of the Swedish National Forest Inventory's sample plots, the differences between individual years are uncertain.

The volume of deciduous trees has increased by 23%. The increase results primarily because deciduous trees are left standing to a greater extent during clearing and thinning. Deciduous trees are also left standing to a greater extent in connection with basic environmental consideration in harvesting. The percentage of old forest (≥141 years) has increased by 45%. 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 55% since the estimations started in 2005.

To measure that the raw material comes from responsibly managed forests, the proportion that complies with the requirements of FSC CW and the proportion that comes from certified forestry (FSC or PEFC) or that has been harvested with SCA retention is monitored. All wood raw material, 100% (100), used by SCA in 2025 met the minimum FSC CW requirement. Wood raw material from certified forestry accounted for 74% (66) of wood raw material consumed and 6 (9) was harvested with SCA retention, which means a total of 80% (75) of wood raw material was from certified forestry or harvested with SCA retention. Wood raw material sourced from its own forests and woodchips from its own sawmills is included in the share of certified forestry.

SCA's forestry is certified according to FSC Forest management and Program for the Endorsement of Forest Certification (PEFC), which also means its forestry operations are regularly audited by third parties.

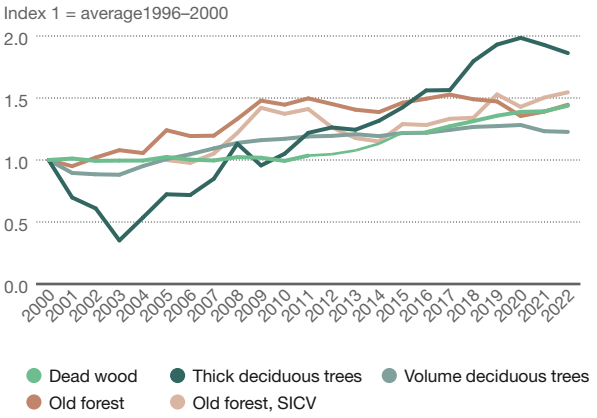
SCA has not identified any sites that are adjacent to or in biodiversity sensitive areas and that have a high impact on biodiversity within these areas, see General information SBM-3. Measures taken in the forest holding are assessed and approved based on local needs and high-conservation values. For the industrial sites, the impact on biodiversity is assessed as part of the environmental permit process.

Indicators for biodiversity[1)]

Indicator	SCA Starting point 1996–2000	SCA Present situation 2022	SCA Trend	Mean value for northern Sweden
Dead wood, m³fo/ha	9.0	13.0	44%	9.4
Old deciduous trees (thick deciduous trees ≥ 35 cm), m³fo/hectare	0.6	1.0	86%	1.1
Deciduous trees, m³fo/hectare	15.7	19.3	23%	20.2
Old forest (≥141 years), share of productive forest land[2)]	5.3%	7.7%	45%	9.2%
Old forest with SICV, share of productive forest land[3)]	2.8%	4.3%	55%	4.5%

1) Data refers to five-year mean values on productive forest land, excluding formally protected areas for SCA's forests and reference values for northern Sweden, respectively.
2) Old forest reports age as ≥141years to harmonize with the Swedish National Forest Inventory's reporting (Skogsdata). Previously, SCA reported age as ≥140years. The change has a marginal impact.
3) SICV stands for specific indications of conservation value and includes high stand age, thick trees, dead wood and tree stratification. SICV measurement began in 2003 and has another reference period. 2005 was chosen as the starting point as this is the first reported five-year mean value.

Indicators for biodiversity – relative change



Source: SLU Swedish National Forest Inventory. Sweden's official statistics, Skogsdata 2025. 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.

ESRS E5 – Resource use and circular economy

E5 IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Efficient use of resources is becoming increasingly important in order to sustainably utilize the Earth's resources. Renewable raw materials are an essential precondition for a circular economy. In 2025, SCA conducted a double materiality assessment to identify material impacts, risks and opportunities related to resource use and circular economy within its own operations, and upstream and downstream in the value chain. To identify material areas, dialogue was carried out with internal experts and external stakeholders from the Company's various stakeholder groups. Information was gathered from workshops, literature studies and supplier surveys. In this year's process, no separate dialogue was held with affected communities as part of the double materiality assessment.

The process for identifying material areas is described in General information IRO-1 and an overview of identified areas in General information SBM-3. A more detailed description of impacts and opportunities is provided below. No material financial risks were identified related to resource use and circular economy.

Resources inflows, including resource use
SCA's industrial operations are dependent on large amounts of raw materials, energy and input goods to produce pulp, paper, solid wood products and energy. The raw material is mainly renewable wood raw material, but inputs of non-renewable resources are also required, such as fossil energy for transportation, IT products, metals in machinery components and purchased chemicals. This was identified as an actual negative impact on the access and regenerative capacity of natural resources, as well as on climate and the environment through emissions and resource use.

SCA's business model is based on the use of biologically renewable wood raw material as the main input in the production of pulp, paper, solid wood products and energy. This raw material comes from forests where biological growth over time exceeds harvesting, which means the natural resources used for production are continuously regenerated. This was identified as a potential positive impact as the raw material not only replaces non-renewable materials but is also extracted from a system that aims to strengthen nature's ability to provide resources in the long term. Growth in SCA's forests exceeds annual harvesting, meaning the Company's use of forest raw materials is not only neutral but can contribute to a net improvement in the condition of the ecosystem over time.

Resource outflows related to products and services
SCA's ambition is to provide recyclable products. Nevertheless, there are applications where circularity is technically or practically difficult to achieve with current technology or infrastructure, for example, for some barrier-coated packaging, hygiene products and composite materials. These products risk contributing to resource loss, increased waste and GHG emissions. The lack of local recycling solutions and differences in collection systems between different geographic markets pose the risk that even recyclable products cannot always be recovered. This has been identified as an actual negative impact on resource use and climate.

SCA's products, particularly in solid wood products and packaging materials, are designed with a focus on sustainability, recyclability and functional resource efficiency. Solid wood products are used in long-lived structures that capture and store carbon over many years, while packaging and pulp products are designed for high recycling rates in established circular loops. By minimizing waste and maximizing the lifetime and circular value of materials, SCA contributes to reducing resource consumption and climate impact in society, which has been identified as a potential positive impact.

Increased demand for recyclable and circular product solutions, where the Company's products are in a good position, has been identified as a financial opportunity.

Waste
SCA takes a life cycle approach and works proactively with resource efficiency. This has enabled new applications and, in some instances, completely new products, either in own operations or externally. By-products and side streams are utilized as far as possible and solid waste, primarily in the form of ash, sludge, organic waste and plastic, is mainly recycled through use as raw material in other processes, as building materials or for energy recovery.

SCA's operations generate waste from the production of pulp, paper, solid wood products and energy, as well as from packaging, sludge, plastic waste and scrap metal. Even if parts are recycled or energy is recovered, a certain proportion is still treated as non-recycled waste. This has been identified as an actual negative impact on the environment and resource efficiency, particularly when managing hazardous and mixed waste, which can contribute to pollution, climate impact and resource loss.

By reusing and recovering energy from residual flows, such as ash, bark, sludge and sawdust for district heating, soil improvement and fuel, SCA helps to minimize waste, reduce climate impact and optimize resource use in its operations. Efficient waste management and internal circulation reduce the need for external waste management, increase energy recovery and reduce pressure on landfills. This has been identified as a potential positive impact on the natural environment and resource efficiency, and shows that industrial processes can be integrated into a circular flow.

E5-1: Policies related to resource use and circular economy

SCA's Sustainability Policy, combined with Group target Zero waste, forms the basis for the Company's work with resource efficiency and circular economy. The Policy covers areas such as optimizing resource efficiency and energy performance and minimizing waste through continuous improvement of processes, products, working practices and transportation solutions, as well as increased recycling and new uses for the Company's side streams. The Policy also includes contributing to our customers' resource efficiency and increasing circularity in society. The Policy is complemented by instructions that regulate the Company's work in more detail. The Policy also describes the process for identifying, assessing and managing negative impacts, which is described in more detail in General information IRO-1. The Sustainability Policy is adopted by the Board and the Senior Vice President Sustainability and Communications is ultimately responsible for its implementation. The Policy applies to the entire SCA Group and is available publicly on sca.com. The work is followed up at Group level by SCA's Sustainability Council, which reports to Executive Management and to the Board of Directors.

SCA's Supplier Standard describes the requirements that the Company places on its suppliers, such as minimizing impacts on people and the environment.

Sustainability-related risks are part of SCA's Group-wide process for identifying and managing risks, as described in the Company's Risk Management and Internal Control Policy, and in the risk section of the Board of Directors' Report. Identifying and developing opportunities is part of the Company's strategy process.

E5-2: Actions and resources related to resource use and circular economy

SCA's products are renewable and enable greater circularity and reduced climate impact, and are thus important in the transition to a sustainable society and sustainable consumption where fossil materials can be phased out. SCA is to conduct its operations in a manner that has the least impact on people and the environment, and will eliminate wastage, Zero waste. SCA's products are based on renewable raw materials that can be reused and support a circular material flow. Through collaboration and innovation, the Company is constantly striving to identify new applications for existing or newly developed products, by-products and side streams from the process as a means to further increase circularity and climate benefit.

SCA strives continuously to increase material efficiency at every stage. The main raw material inflow consists of wood raw material. The consumption factor, namely the amount of wood raw material used to produce solid wood products, pulp and packaging paper, is therefore an important measure for utilizing the tree as efficiently as possible. The consumption factor or yield is closely monitored by each unit, which also identifies measures to continuously improve outcomes and material efficiency. Similarly, machine efficiency is monitored locally at unit level to use the industrial facilities as efficiently as possible.

SCA also uses secondary raw materials in the form of recovered fiber in containerboard manufacturing. Fresh fiber and recovered fiber together form a circular ecosystem where the fibers circulate and are reused multiple times. Since fibers cannot be recovered an infinite number of times, a continuous inflow of fresh fiber is needed. The collection and reuse of the fibers is a well-functioning system and the recycling rate in Europe is approximately 85%.

SCA and the forest industry as a whole have an important role to play in the transition to a circular economy. SCA's strategy and sustainability work aims to increase the value created from every tree. The entire tree is utilized in the Company's industrial ecosystem where side streams, such as cellulose woodchips and bark from the sawmills that become raw materials in pulp production and solid biofuel, can replace oil. Through innovation, the Company also strives to continuously increase processing levels and the climate benefit of its side streams. In addition, the Company holds discussions with recycling companies to identify new applications.

In close contact with customers and suppliers, SCA is driving structured innovation work that could lead to greater material efficiency. The Company also encourages and supports contractors through the Forest Business Accelerator program, a collaboration with IBM, RISE Processum and BizMaker with the aim of creating new business opportunities and a more sustainable society by uniting forestry, digitalization and entrepreneurship to benefit business and innovation in the forest value chain.

Energy efficiency is another example of measures. SCA has consolidated its work into an ESAVE program, where new initiatives in energy efficiency are prioritized, executed and followed up, see section E1-3.

SCA continuously endeavors to improve the sustainability profile of its products and processes by increasing resource efficiency and environmental performance throughout the life cycle, which includes good dialogue with suppliers and customers.

E5-3: Targets related to resource use and circular economy

SCA's overall Group target for resource efficiency and circular economy is Zero waste. The most important interim target is to use the entire tree, which is monitored by measuring the yield and consumption of wood raw material. This target is measured at each unit and aims to minimize the need for primary raw materials.

The Company also has a target linked to waste management, whereby at least 95% of its own non-hazardous waste should be recycled. Recycling also includes energy recovery. This target aims to increase circularity by utilizing waste streams for other products and minimizing waste generation and follows the cascading principle. For waste classified as hazardous waste, such as strip tubes and hydraulic oil, the correct waste classification should be used to ensure proper management. In 2025, 97% of own non-hazardous waste was reused, refer to the table under E5-5.

Since the Company's raw material flow mostly consists of biological materials, see section E5-4, and forms part of the biogenic cycle as its products are renewable and contribute to enabling a circular society, and its own industrial ecosystem is based on circular flows between the Group's units, SCA has chosen not to formulate a concrete measurable target for increased circularity. The Company's targets are voluntary and when they have been formulated, external factors and trends were taken into account, but external stakeholders were not involved in the final formulation of the targets.

E5-4: Resource inflows

The double materiality assessment deemed material flows such as raw materials and input goods for the production of the Company's products as material. The material inputs are wood raw material, recovered fiber, chemicals and fillers, water and energy. Of these, secondary materials are mostly of recovered fibers. Others are classified as primary materials.

SCA is self-sufficient in solid biofuels. The Company generates its own electricity and buys the remainder from the grid. Total energy consumption is reported in section E1-5. Water is material for the production of the Company's products. Water use is reported in section E3-4.

Most of the resource inflow is wood raw material and recovered fiber delivered without packaging. Packaging is therefore deemed as non-material for the Company. Double counting is avoided by only assessing inflows to the Group as a whole.

Rare-earth elements are present in electronics used by the Company, but are not included in the Company's products and are not a material part of the resource inflow.

Wood raw material is measured as volume input to the industries and measured by third parties. The conversion to weight uses a density value for each type of wood. Recovered fiber is measured using delivered quantity and warehouse inventory. Chemicals and fillers are measured using the invoiced quantity. The quantities are reported as dry tonnes.

Resource inflows, dry tonnes	2025
Raw material (wood, woodchips, solid wood products, sawdust and recovered fiber)	4,905,000
Chemicals and fillers	215,000
Total	**5,120,000**
Biological materials	4,905,000
Biological materials of total, %	96%
Share of sustainably sourced biological materials, %[1)]	100%
Secondary materials of total, %	8%

[1)] Sustainable sourcing includes raw materials that are certified according to FSC or PEFC or covered by FSC CW as well as recovered fiber.

E5-5: Resource outflows

SCA delivers products based on renewable wood raw material from responsibly managed forests that offer alternatives to fossil-based materials and can thereby contribute to the transition to a fossil-free society. The main potential negative impact identified in the double materiality assessment was the availability of functioning systems for recycling products in all geographies, in addition to the ability to recycle all end-of-life products.

The products can be reused, recirculated or used for energy recovery. The main product areas are solid wood products, pulp, packaging paper and energy. The energy is renewable and can replace fossil energy. Other products are entirely recyclable and contribute toward a circular material flow. A very small share of the Company's wood products are treated with impregnating agent to increase service life or are factory painted to reduce the customers' environmental impact downstream. These products are also recyclable as the paints and impregnating agents used meet recycling requirements. The proportion of recyclable material in products amounts to 100%. However, effective recycling systems may be lacking in different markets.

The Company's products are delivered both with and without packaging, depending on the form of delivery and application. For pulp and paper, the packaging is recyclable. For wood products, the proportion of packaging that is recyclable is gradually being increased. Currently, 8% of packaging material is recyclable and the rest is combustible and can be used for energy recovery. The proportion of recyclable packaging material amounts to 100% if energy recovery is included.

Waste outflows consist mainly of sludge, ash and plastic rejects. All resource outflows are measured by weight or volume for each fraction. For volume, a known or established density is applied when converting to weight. SCA does not conduct operations that generat radioactive waste.

Waste stream, tonnes	Hazardous waste	Non-hazardous waste	Total amount of waste generated
Diverted from waste management			
Preparation for reuse	6	385	391
Recycling	463	148,859	149,322
Other recovery operations	397	7,999	8,396
Total amount diverted from waste management	**866**	**157,243**	**158,109**
Intended for disposal			
Incineration	87	0	87
Landfill	2,594	3,982	6,576
Other disposal operations	307	346	653
Total amount disposed of	**2,988**	**4,328**	**7,316**
Total waste	**3,854**	**161,571**	**165,425**
Proportion of non-recycled waste			4%
Performance monitoring			
Share of recycling of own non-hazardous waste		97%	

Social information

ESRS S1 – Own workforce

S1 SBM-2: Interests and views of stakeholders

SCA's value-based culture is underpinned by the Company's core values and this value-based culture promotes an accident-free and healthy SCA and sound business conduct. Employees are an important stakeholder group for the Company and there are many opportunities for them to engage in dialogue about their expectations, work situation, job satisfaction and work environment, and also to provide feedback. Dialogue with the line manager takes place in daily operations and in conjunction with performance reviews. Workplace meetings are also held. In the Swedish units, there are also collaboration forums at various levels in the Company where representatives from both the Company and unions meet. Follow-up takes place on an ongoing basis with the line manager and in each forum. SCA's operations in other countries follow current practices and have regular individual talks and workplace meetings.

Issues addressed at meetings with employees and union representatives include the work environment, health and safety, and employee and organizational matters, equal treatment, strategy and financial results.

Various business decisions can have both a positive and negative effect on employees. When there are changes to the business, the Company has a process for engaging with union representatives and jointly assessing the impacts.

S1 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

SCA has conducted a double materiality assessment for the entire Group that included its own workforce; refer to General information SBM-3. The areas considered were working conditions, equal treatment and opportunities for all, as well as other work-related rights. The materiality assessment covered the impact on own workforce, which includes all employees, insourced personnel and self-employed people supervised by SCA. The materiality assessment is based on the Company's main categories of employees such as industrial process work, maintenance work, forestry services and office work. The Company has not identified any categories of employees that would be particularly vulnerable to negative impacts. No material risks linked to the undertaking's own workforce, with a financial impact on the Company, were identified.

Equal treatment and opportunities for all

SCA operates in an industry that historically has been characterized by male-dominated employment structures, where there has been and remains an underrepresentation of women in many professions. This is an industry-wide challenge and could have a potential negative impact in the form of a lack of diversity in workplaces and teams as well as limiting opportunities to harness the skills of the entire labor market. SCA strives to be an attractive employer for a broad target group and to recruit and retain committed and competent employees.

Working conditions

In terms of working conditions, a positive and a negative impact were identified. The positive impact concerns SCA's corporate culture that promotes employee well-being and contributes to a sustainable performance throughout the Group. SCA's most recent All Employee Survey was carried out in 2025 and employees awarded high scores for areas such as work environment, leadership and goal focus, which indicates an established corporate culture where psychological security, clear goals and support from managers promote well-being and a sustainable performance.

SCA has a vision of zero workplace accidents and is engaged in structured efforts to realize an accident-free and healthy SCA. Systematic work is being carried out to proactively minimize the risks of work-related accidents and ill health occurring. All employees are expected to participate in prevention and to be aware of risks as well as safe and unsafe behaviors. Despite proactive efforts, accidents may still occur and may have a negative impact on affected individuals. This has been identified as a negative impact.

Risk analyses help the Company to understand the risks in a workplace, both physical and psychosocial. As part of risk minimization efforts, entire facilities are subject to risk analyses, safety rounds are held and training is offered in behavior-based safety. SCA also works to continuously update policies and instructions, training and working practices to reduce the risk of negative impacts on employees.

In SCA's view, the Company has no material impact on areas such as child labor and forced labor. SCA does not tolerate child labor and forced labor and SCA does not operate in geographic areas nor is it involved in other activities in which there is a significant risk of child labor and forced labor.

The transition to greener and more climate-neutral operations is in line with the Company's strategy and business model, and is expected to provide opportunities to develop the Company and create jobs. This is considered positive for the Company's own workforce.

S1-1: Policies related to own workforce

SCA has several policies and global instructions that describe how the Company manages material impacts, risks and opportunities related to its own workforce. SCA's policies are decided by the Company's Board of Directors and apply to the entire Company. Global instructions are decided by the President and CEO.

SCA's Code of Conduct is one of the Company's policies and forms the foundation for the Company's corporate culture, how people are treated and how SCA does business and conducts its operations in an ethical and responsible manner. The Company respects and supports international standards and complies with national laws in each country in which it operates. SCA is committed to respecting human rights such as freedom of association, zero tolerance of child labor and forced labor, and consideration for indigenous peoples. The Code of Conduct is based on the UN Declaration of Human Rights, the International Labour Organization's (ILO) Core Conventions, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact that have been integrated into the daily operations. All employees within the Group and others who represent SCA must comply with SCA's Code of Conduct. SCA's General Counsel has overall responsibility for its implementation.

Other areas in the Code of Conduct include minimizing the risk of discrimination, harassment, and unethical and corrupt behavior. The Code describes how SCA works to promote diversity and strives to help all employees reach their full potential in an atmosphere of respect and trust. All current and future employees are treated equally regardless of sex, transgender identity or expression, marital status, parental status, ethnic, national or social origin, sexual orientation, religion, political affiliation, age, disability or any other characteristic protected by applicable law.

The Code of Conduct also describes how reports and breaches of the Code of Conduct will be dealt with. SCA encourages all employees to report suspected breaches of the Code of Conduct or related laws in accordance with SCA's normal channels. Insourced personnel and self-employed people who are not employed by SCA can report suspected violations. The Code of Conduct is publicly available on sca.com, and is described in more detail in Governance information G1-1.

The Company also has an HR Policy that describes how SCA's employees and managers should relate to, and take responsibility for, various issues such as employeeship, leadership, development and learning, diversity, gender equality, victimization, and a drug-free workplace. The HR Policy also describes how recruitment should be carried out in a professional manner and with excellence. Furthermore, the Company has clear instructions on victimization to minimize its occurrence and on how it should be handled if it does occur. Equal opportunity plans are prepared and followed up annually. SCA's Senior Vice President, Human Resources has overall responsibility for implementing the HR Policy and related instructions and for ensuring that these are kept up to date.

SCA has a vision of zero workplace accidents and has a Health and Safety Policy that describes the Company's vision and work to realize an accident-free and healthy SCA, where everyone shall return home healthy and unharmed. Systematic health and safety work is conducted in company-wide activities referred to as ZERO. SCA's Senior Vice President, Human Resources has overall responsibility for ensuring that the Health and Safety Policy is updated and communicated. Each business area president is responsible for implementing the Health and Safety Policy.

SCA has a due diligence process, with accompanying instructions, for assessing and managing negative and positive impacts on people and the environment, which is described in more detail in General information IRO-1. The process also describes how follow-up should take place. The Company's process for risk assessment and management is described in the risk section of the Board of Directors' Report.

SCA recognizes children as stakeholders who need particular protection, which is described in the Company's Code of Conduct. The Company respects and promotes the rights of children in its operations and in society in accordance with the UN's Children's Rights and Business Principles. Wherever SCA's business activities impact children, we show special consideration for their interests. SCA does not tolerate child labor in our own facilities or the operations of any business partner. We comply with applicable national laws and international standards on minimum age wherever we operate.

All employees shall follow and comply with SCA's policies and related instructions and act in accordance with these. The implementation of policies and global instructions takes place via Executive Management to the business areas. The business areas and their units are then responsible for disseminating the information within their respective operations. The information is usually communicated via departmental and workplace meetings. Information about new or changed policies and instructions is also provided on the Company's intranet. When there are changes, training may also be provided in these areas.

S1-2: Processes for engaging with own workforce and workers' representatives about impacts

Engaging with the unions is a vital part of the continuous process to develop individuals, the workplace and the business. The aim of the dialogue is to create influence and participation at work, from idea to decision, by giving employees opportunities for information and dialogue. Trade union cooperation takes place at all levels of the Company. Employee union representatives attend SCA's Board meetings, which are held around ten times a year. In Sweden, SCA has a trade union Group Council to which representatives from the Company are invited. The business areas have business councils in which representatives from the business area and trade unions participate. Other forums for dialogue are the units' trade union cooperation groups and safety inspections, with union representatives and directly with employees through workplace meetings, performance reviews as well as daily operational meetings, known as operational control. In other countries where SCA operates, dialogue takes place directly with employees and in working groups.

SCA and the unions have an agreement that regulates how dialogues is to take place and items to be addressed at various meetings. The agreement aims to create a well-functioning structure for information and to exercise co-determination within the Group. The trade union cooperation groups meet at least three times a year to promote involvement and increase influence, development and efficiency in the Company while creating stimulating and developing work tasks in a safe and healthy work environment. The agenda includes items such as health and safety, employee and organizational matters, equal treatment, finance and investments, and information on how the Company is performing. The meetings give workers an opportunity to express their opinions, and to exert influence through their union representatives. Decisions are recorded at the meetings and other employees are informed via their union representatives and meeting minutes.

Each work team, in the entire Group, holds regular meetings where dialogue takes place on issues that may impact the employee and their work groups. The agenda covers issues such as health and safety, employee and organizational matters, performance monitoring, finance and investments. This is a forum where employees can provide feedback and influence matters affecting their team, where information is clarified, ideas are developed and joint decisions are made. SCA also has a proprietary callbox that is available to facilitate and encourage dialogue on issues and situations that may arise in everyday work and how these should be handled. By raising awareness and understanding of each other, SCA's employees and the Company can strive together to create an even better workplace.

In addition to an annual performance review, there is continuous dialogue with the line manager on issues primarily affecting the employee, such as health and safety, work tasks, well-being, personal development, results and feedback on performance, individual needs or any other issues that may affect the employee.

When there are changes that may have a significant impact on employees, local laws and regulations are respected and followed, as are collective agreements.

SCA's Senior Vice President, Human Resources has overall responsibility for the trade union cooperation process. In the business areas, support unit and Group functions, each manager is responsible for ensuring that performance reviews, workplace meetings and trade union cooperation meetings are held. Follow-up and assessment of how well the dialogue is working takes place in each forum – both in the Group Council and in business councils. Business area HR managers, trade union representatives and the Senior Vice President, Human Resources regularly evaluate the cooperation process to assess its effectiveness.

SCA regularly conducts All Employee Surveys where employees have the opportunity to anonymously make their voices heard. Action plans are developed in dialogue with employees and managers and integrated into operations.

S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns

SCA encourages all employees to engage with their line manager regarding matters related to their own work situation, operations, complaints or other areas that impact or may have a negative impact on the employee. All employees are able to report potential breaches of SCA's Code of Conduct or applicable regulations via the Company's normal channels, which are their line manager, HR managers, legal counsel, union representatives or the Company's whistleblower channel.

To identify all potential breaches of the Code of Conduct and to reassure whistleblowers, several channels are in place. The whistleblower channel is publicly available on sca.com and is therefore open to employees as well as individuals who are not employed by SCA. Potential breaches can be submitted anonymously and are promptly processed in full confidence and in a professional manner. All such issues take into account current personal data legislation. SCA's Compliance Council continuously monitors ongoing cases and actions taken. The Compliance Council also compiles an annual summary and analysis of incoming cases to monitor the number and categories and identify the need for action. An analysis of progress is compared with previous years. The effectiveness of the process is considered in conjunction with the analysis. Governance information G1-3 provides a detailed description of the whistleblower process and follow-up of reported cases.

All employees are also able to report incidents and risk observations in the environment and work environment via a platform provided by the Swedish insurance company, AFA Försäkring.

When inducting new employees and in refresher courses in the Code of Conduct, all employees are informed about the channels that are available for submitting views or grievances. If the Company has, or may have, a negative impact on an employee, a dialogue is conducted with the employee to determine how the negative impact can be minimized or completely avoided. The employee is entitled to have their union representative present during the discussion. Follow-up takes place in dialogue with the line manager if the action was adequate.

Employees are also given the opportunity to express their views through All Employee Surveys, trade union contacts and dialogue with their line manager and an assessment is conducted whether additional measures are needed.

S1-4: Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

To increase attractiveness and promote greater diversity in the industry, various initiatives are being implemented, for example Girls in Technology, Junior Achievement Sweden and school collaborations. To increase diversity, SCA strives to broaden the recruitment base throughout the Group. This is performed continuously to better clarify the employer proposition through the style of its recruitment ads. In recruitment, the aim is to ensure that at least one of the final candidates is from the underrepresented gender for that position.

To increase interest among young people, the Company is continuously interacting with high schools, higher education institutions and universities. SCA offers degree projects, practical workplace experience and summer jobs. Every year, approximately 445 (400) summer workers are given an opportunity to gain work experience and a balanced gender distribution is sought for these positions to ultimately increase diversity in the industry. In 2025, gender distribution among summer workers was 35% female and 65% male. SCA participates in Teknikspråget, an internship program for young people considering higher engineering educations and Jobbspråget, an internship program for new arrivals with higher engineering degrees. The Company also has internal networks and mentoring to inspire and develop employees in professional categories that lack diversity. Moreover, there are opportunities for employees to take part in external networks within the industry and various professional categories. There is continuous follow-up of effectiveness.

To capture the employees' perception of the corporate culture, regular All Employee Survey are conducted and the Group's employees have the opportunity to participate. The most recent All Employee Survey was held in 2025 and had a response rate of 87%. The All Employee Survey shows that employees rate the Company highly particularly in the areas of work environment, leadership and goal focus. SCA specifically tracks the development of two indices: leadership and engagement. The leadership index is a key figure indicating how employees rate the leadership of their line manager. The second index, the engagement index, is based on employees' perception of their motivation and engagement, general satisfaction and whether they would recommend SCA as an employer. All employees are informed of the result of the All Employee Survey and they also participate in preparing and implementing action plans to further develop operations.

The positive impact creates security, motivation and job satisfaction throughout the Group, which is central to employee health and long-term loyalty. SCA continuously strives to create a good work environment for all employees. All employees have annual performance reviews to discuss their work situation, follow up development and job satisfaction, and to define areas for improvement and new targets. During this discussion, the employee may also raise other issues that could impact the employee.

In addition, SCA works continuously with equal opportunity plans across the Company. Measures are conducted at operational level in areas such as working conditions, victimization and harassment, salaries and working conditions, recruitment, training and other skills development as well as employment and parenthood.

Leadership is a prioritized issue for SCA and the Company has developed a leadership platform that is based on four pillars: perspective, performance, personal management and personal influence. The Company offers leadership development to its managers through Group-wide programs, local leadership forums and individual development plans. SCA continuously conducts training for new managers, which includes the Company's expectations of leaders and the importance of leadership for corporate culture and target achievement. A program on financial value creation was launched in 2025 together with the Stockholm School of Economics for members of the business areas' management teams. Managers at SCA are expected to lead work to maintain and improve the quality of operations, to set and communicate targets for operations together with the employees and to work actively to follow-up and ensure the achievement of these targets. Leadership also includes creating conditions for dialogue, empowerment and a positive work climate and to act as a role model and to highlight other good role models.

To reduce the risk of negative impacts in the form of physical health and work-related accident risks, SCA works actively to prevent work-related injuries and ill health throughout the Company. SCA's objective in occupational health and safety is an accident-free and healthy SCA where all employees return home healthy and unharmed. SCA has brought health and safety activities together under the ZERO program. Each business area is responsible for identifying, preventing and addressing risks that may have a negative impact on physical and mental health. The ZERO steering committee is responsible for the overall health and safety work of the Group. The steering committee consists of members of the Executive Management, SCA's ZERO coordinator and trade union representative. The ZERO steering committee monitors targets and activities in this area. Reporting is directly to the CEO. In turn, the CEO regularly reports to the Company's Board of Directors on outcomes and developments. SCA also has a cross-functional Occupational Health and Safety Network whose purpose is to actively promote an accident-free SCA by developing the health and safety culture across the SCA Group. The network coordinates and prioritizes common issues for the Group. The Occupational Health and Safety Network is composed of one representative per business area/major unit and is led by the ZERO coordinator.

The ZERO program promotes a shared health and safety culture. Under the program, managers receive training and a dialogue is conducted on safe and unsafe behavior. All employees are expected to become involved and be proactive in this work. Every employee has the right to stop work if his or her work environment is perceived as being unsafe. ZERO also includes shared procedures and a uniform structure for systematic follow-up, evaluation and reporting. SCA is proactive in identifying and addressing shortcomings and risks, reporting and analyzing incidents that have occurred to identify the underlying causes and implementing measures to prevent similar incidents in the future. Lessons learned from incidents that have occurred are shared within the Group.

SCA conducts health and safety training initiatives. All new managers, leaders and safety officers receive training to create a better work environment (known under the Swedish acronym of BAM). All employees are also trained in behavior-based safety (BBS), a methodical and simple approach to alert each other to work safely through BBS dialogues. Statutory training is also continuously carried out in various areas such as hot work, forklift driving and chemical hazards in the workplace. Regular statutory medical checks are carried out in the workplace. In addition, employees are offered health profile assessments every three years, with the aim of identifying any risk factors that may exist and have an impact on the employee's health. There are also local initiatives that promote employee health and a safe work environment.

Each unit has a clear safety organization with local targets and action plans. The health and safety targets are broken down based on identified risks, and have been translated into action plans and activities.

In 2025, systematic improvement activities continued to drive health and safety work forward. SCA regularly conducts activities in systematic health and safety management. This means that employees examine, assess, take measures and check that the approach leads to improvements that create safer and healthier workplaces for all employees in our operational areas. Through this, SCA also builds a good safety culture and a safety climate where we have common values and perceptions that help the Company to prioritize and manage safety issues at all levels of the organization.

By following up on actions and controls taken, for example in safety inspections and collaboration forums, the units can evaluate whether the actions were effective.

In 2025, an initiative was conducted across the Group with a particular emphasis on minimizing the risk of collision between people and vehicles, falling, slipping and tripping, as well as BBS dialogues and training of employees in, and application of, life-saving procedures. In 2025, the Group introduced fire safety training for all employees.

Since 2019, the Company has seen a very positive trend in the number of workplace accidents resulting in absence and has chosen to change to the Total Recordable Incidents (TRI) metric instead of the previous LTA. TRI covers workplace accidents that result in absence, the inability to carry out normal work duties but the employee can return to work in an adjusted role, or the need for medical treatment beyond first aid.

The focus for health and safety in 2026 is a further development of the ZERO life-saving rules, whereby existing instructions are developed and

translated into graded standards to gradually and systematically improve the safety culture. The focus will be on implementing the standards, which will provide clearer health and safety guidance across the organization. SCA will start 2026 by holding the Company's annual health and safety week, which encompasses the entire Group and the focus will be on a life in motion. The theme will be the focus of the whole year. This will involve raising risk awareness and highlighting our own behaviors to prevent accidents and promote health considering the pace of modern living and when we move using various means.

A Group-wide IA system is used for reporting per unit and following-up work-related injuries and incidents and work-related ill health as a result of occupational diseases in accordance with the ILO definition. The statistics are aggregated to Group level. The systems are also used for preventive reporting of risk observations. A system has been developed by SCA to report observations of safe and unsafe behavior, BBS, to support the development of the health and safety culture in the Company.

Monitoring of the Company's health and safety efforts is performed in the ZERO steering committee with input from the IA event management system and the system for tracking the number of recorded BBS observations. The statistics are also followed up in the Occupational Health and Safety Network. SCA reports fatalities, serious workplace accidents and serious incidents to the relevant authority, which may submit a case to the public prosecutor for review.

The Company carries out impact assessments of work tasks, analyses of reported risk observations and BBS dialogues in order to avoid creating procedures and working practices that could have a negative impact. Both employees and trade union representatives are involved in this work. In the event of organizational changes, the Company conducts impact assessments that involve trade union representatives. The analyses include changes in works tasks and the future work situation compared with the current situation, as well as possible risks of ill health.

The Company considers that the health and safety process is developing positively as the proactive work involves many employees, the number of accidents is gradually decreasing and that the results of the most recent All Employee Survey show that SCA prioritizes health and safety work.

S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SCA's overall objective linked to own workforce is "An accident-free and healthy SCA where all employees comply with SCA's Code of Conduct."

To promote greater diversity in the industry, SCA pursues several initiatives – both its own and industry-based programs. The Company works in various ways to reach the widest possible recruitment base. The development of gender balance is monitored annually at Group level and in conjunction with briefings with the business areas to ensure that the Company has the right skills in place now and for the future without setting a numeric target.

SCA monitors the leadership and engagement indices that are measured for the entire Group through the All Employee Survey, and aims for these to be "green".

SCA has a vision of zero workplace accidents. The target is an accident-free and healthy SCA, which is measured as the TRI rate, which stands for Total Recordable Incidents per million hours worked. The target covers all employees and applies to 2026. Insourced personnel are included in the statistics, while self-employed people and temporary consultants are not.

TRI covers all workplace accidents that result in sick leave, the inability of the employee to perform their regular duties, or that they require medical treatment beyond first aid. Previously, the measure used was Lost Time Accidents per million hours worked, LTA rate. The development of LTA since the base year of 2019 has been very positive. This positive development led to the expansion of the key figure to include more categories to further contribute to achieving the target of an accident-free and healthy SCA. From 2025, SCA has changed to measuring TRI rate. The targets apply to the entire Company and were set following an assessment of statistics, industry comparisons and internal discussions. Union representatives were involved in the target-setting process before the target was adopted by Executive Management and presented to the Board of Directors.

In addition to the TRI rate, the Company has continued to measure the LTA rate and a range of proactive measures, such as number of risk observations and BBS dialogues. Follow-up of the target takes place on a monthly basis at Executive Management meetings, management team meetings, ZERO steering committee, workplace meetings and in trade union cooperation meetings. The various meeting forums provide an opportunity to discuss the outcome and draw conclusions to reduce future negative impacts. Accidents and incidents are regularly reviewed in various forums in the business areas, Executive Management meetings, the ZERO steering committee and the Occupational Health and Safety Network. Meetings provide a platform for sharing experiences, know-how and lessons learned and these are disseminated throughout the organization.

S1-6: Characteristics of the undertaking's employees

The average number of employees in the Group was 3,508 in 2025. The corresponding figure for Sweden was 3,437, meaning approximately 98% of total employees. Almost 90% of the Company's employees are permanent employees, with the remainder holding various forms of temporary employment. Temporary employment is used during excessive workload demands and projects, and varies by season and unit needs.

The number of employees who left the Company during the year was 254. The employee turnover rate was in line with last year at 7% (8), due to a normal level of people leaving the Company.

Personnel-related data is mainly collected in SCA's HR system. Some HR data is completed manually. The compilation and validation of HR data is performed centrally.

The number of employees at year-end, broken down by contract type, countries in which SCA operates and legal gender, is shown in the tables below. The tables refer to data from December 31, 2025, expressed as number of employees. The metrics have not been validated by any party other than SCA's external auditor.

Total personnel costs are reported in SEK in Note C1 in the financial statements.

Employees by contract type, broken down by gender

Head count	Female	Male	Other	Not reported	Total
Number of employees	859	2,565	-	-	3,424
Number of permanent employees	720	2,288	-	-	3,008
Number of temporary employees	129	213	-	-	342
Number of non-guaranteed hours employees	10	64	-	-	74
Number of full-time employees	847	2,533	-	-	3,380
Number of part-time employees	12	32	-	-	44

Number of employees in countries with at least 50 employees

Country	Number of employees (head count)
Sweden	3,352

Employee head count by gender

Gender	Number of employees (head count)
Male	2,565
Female	859
Other	-
Not reported	-
Total employees	**3,424**

S1-7: Characteristics of non-employees in the undertaking's own workforce

The category of employees in the Group's own workforce who are not employed by SCA includes insourced personnel and self-employed people supervised by SCA. Reporting also includes insourced and self-employed people in foreign operations. The workers in this category replace regular employees, are supervised by SCA's employees and the Company has a joint work environment responsibility with the individual's employer pursuant to the Swedish Work Environment Act, and SCA provides these workers with their main source of employment. Main source of employment refers to non-employees whose assignments account for more than 80% of their annual working hours.

Administrators, operators, dock workers, technicians and inside sales reps, among others, are provided by staffing and consulting companies. The reporting of the number of non-employees is performed manually at each business area, and compiled centrally. Any fluctuations between years are influenced by the Company's need for skills and resources.

At year-end, December 31, 2025, SCA had hired 89 people compared with 77 people in 2024, calculated as full-time employees, which represents 3% of SCA's employees. On average, 91 people were hired during the year, compared with 69 people in 2024. The increase in the number of non-employees is due to a temporary increase in the need for labor.

The metrics have not been validated by any party other than SCA's external auditor.

S1-8: Collective bargaining coverage and social dialogue

SCA's starting point is that working conditions should comply with each country's legislation and that collective agreements are in place in all workplaces in Sweden. These regulate minimum wages and annual working hours. Employee representatives are regulated by the Company and the trade unions. When collective agreements are not applicable, the Company follows relevant industry standards.

At SCA, 98% of employees are covered by collective agreements. Members of Executive Management and the majority of expatriate employees are not covered by collective agreements. In the Swedish operations, 100% of employees are covered by collective agreements if the President and CEO and Executive Management are excluded. SCA's operations in other countries are not covered by collective agreements, except in Germany where 70% of employees are covered. Insourced personnel and self-employed people supervised by SCA are not included in the statistics.

SCA has an inactive European Works Council (EWC), since most of Company's operations and employees are in Sweden (98%).

The metrics have not been validated by any party other than SCA's external auditor.

	Collective bargaining coverage		Social dialogue
Coverage rate	Employees in EEA	Employees outside the EEA	Workplace representative (EEA only)
0–19%			
20–39%			
40–59%			
60–79%			
80–100%	Sweden		Sweden

S1-9: Diversity metrics

The Group's age structure is presented in the table below. The table refers to permanent employees at the end of the year for the entire Group. No major changes have taken place compared with the year before.

SCA's Board consists of five women and four men. The proportion of women is 56% (56), excluding workers' representatives. SCA's Executive Management consists of three women and eight men bringing the proportion of women to 27% (27). The proportion of women in senior positions, i.e. in management teams at business areas and major units, is 22% (21).

	Total	
Total age structure for the Group, %	2025	2024
<30 years	16	15
31–40 years	26	25
41–50 years	21	21
51–60 years	29	31
>60 years	8	8

S1-10: Adequate wages

The pay for each SCA employee is higher than the minimum wage in each country, or the applicable adequate wage benchmark, when minimum wage is not regulated by law.

S1-11: Social protection

In Sweden, SCA's employees are covered by national legislation that includes sick pay, unemployment benefits, occupational injury and disability benefits, parental leave and retirement.

In other countries where SCA operates, employees have social protection that entitles them to compensation for sick leave, unemployment, work-related injuries and acquired disabilities, parental leave and pensions.

S1-13: Training and skills development metrics

SCA's target is that all employees complete at least one performance review with their manager each year. In 2025, 96% of men had a review with their manager, while the corresponding figure for women was 95%. The total share of completed performance reviews in the Company was 96% (93).

During the year, each employee completed an average of 23 training hours, compared with 18 training hours last year. Of these, men completed an average of 23 hours, and women 25 hours. In addition to these training hours, development and learning takes place using the 70-20-10 model, meaning most learning is achieved by performing work duties and reflecting in the work situation (70%), followed by interaction (20%) and formal training (10%).

In addition to training based on job requirements and leadership training, skills development initiatives were carried out during the year that included Forestry Machine Operator Training, an external development program to increase maintenance skills as well as a trainee program to enable the supply of future managers and specialists. SCA also launched a new training program where employees are trained to mentor others to increase the Company's ability to effectively transfer skills when inducting colleagues and trainees. In addition, SCA has its own functional academies in areas such as purchasing and individual development to attract, retain and develop skills. SCA also continuously conducts nano-learning in areas such as IT security and GDPR.

The metrics have not been validated by any party other than SCA's external auditor.

S1-14: Health and safety metrics

The provisions of Systematic Work Environment Management (AFS 2023:1) provide the basis for SCA's systematic health and safety management, which applies to the entire Group. Health and safety management at SCA's mills is certified according to ISO 45001, representing 33% of the total number of employees. Internal and external audits are carried out in accordance with the standard.

A Group-wide IA system is used for reporting per unit and following-up work-related injuries and incidents and work-related ill health as a result of occupational diseases in accordance with the ILO definition. The statistics are aggregated to Group level. Reporting also encompasses insourced personnel, self-employed people and contractors who conduct work on SCA's sites. The table below shows the outcomes for occupational health and safety.

The TRI outcome was 10.0 workplace accidents per million hours worked for 2025. The outcome for LTA frequency in 2025 was 3.9 (3.1) compared with 7.4 workplace accidents per million hours worked for the base year 2019. The outcome is in line with the target. The calculation of LTA and TRI is based on the number of hours worked from the previous year.

DLA, working days lost due to workplace accidents, is reported as a total of 488 days, mainly caused by two events that together account for just over 280 days.

Occupational health and safety[1)]

	2025	2024
Absence due to illness total	3.1%	3.1%
Number of workplace accidents resulting in absence, LTA (of which non-Swedish units)	20 (0)	16 (0)
Number of workplace accidents among contractors, CLTA[2)] (of which fatal accidents)	20 (0)	12 (0)
Number of working days lost due to workplace accidents, DLA[3)]	488	280
Workplace Accident Severity Rate, ASR, measured as days of absence/LTA	24.4	17.5
Workplace accident frequency rate, FR, LTA per million hours worked	3.9	3.1
Fatal accidents	0	0
Total recordable incidents, TRI[4)]	52	53
Total recordable incidents rate, TRIR, TRI per million working hours	10.0	10.4
Number of hours worked, million hours	5.18	5.11

1) The table shows aggregated data at Group level for operations that were part of the Group during that year.
2) Refers to contractors who perform work at SCA's facilities, in forestry operations or conduct transport activities.
3) Scheduled days of absence from day 1 after the accident.
4) Includes all lost time accidents (LTA), restricted work cases (RWC) and medically treated accidents (MT). Medically treated accidents according to OHSA.

The most common accidents leading to absence during 2025 were caused by employees falling, tripping or slipping. Another category of accidents resulting in absence was crushing accidents and lacerations. Actions and training are initiated following an analysis of the most common causes of accidents.

S1-15: Work-life balance metrics

SCA complies with legislation in each country, that enables employees to take family-related leave in all countries where SCA operates. In Germany, it is possible for employees to take time off for family reasons with one exception, there is no legal right to take paternity leave.

The share who have the opportunity to take family-related leave in SCA is 99% of employees. During the year, 24% of women and 19% of men took family-related leave.

The metrics have not been validated by any party other than SCA's external auditor.

S1-16: Remuneration metrics (pay gap and total remuneration)

SCA adheres to collective agreements and applicable regulations and works with unjustified pay gaps for equal work and work of equal value per legal unit.

At Group level, the average pay level of women is 11% (13) lower than the average pay level of men. Gross pay, where variable remuneration is included, for all employees is used to calculate the gender pay gap. A gross hourly wage is calculated by setting the gross wage against the paid time worked for the period. The difference between the average gross hourly pay level of men and women is compared to the gross average hourly pay level of men.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all other employees was 23 (34). To calculate the annual total remuneration ratio of the highest paid individual in relation to the median employee annual total remuneration for all other employees, SCA uses the gross salary for all employees. The total annual salary for the highest paid individual was set against the median gross salary for other employees to obtain the remuneration ratio.

The metrics were audited by SCA's external auditors.

S1-17: Incidents, complaints and severe human rights impacts

SCA uses a number of methods to safeguard compliance with prevailing law and the Company's Code of Conduct. These include risk assessment, audits by external and internal auditors, the Company's internal control, incident reporting and controls in connection with acquisitions. For the process for reporting suspected violations of legislation and/or the Company's Code of Conduct, including human rights, refer to Governance information G1-1. Concerns can be reported using the same channels as for reporting suspected violations of the Code of Conduct. Employees are encouraged to contact their line manager in the first instance.

In 2025, no (0) cases of discrimination, including harassment, were reported through either channels to raise concerns (including grievance mechanisms) available to people in the own workforce, or otherwise. Furthermore, SCA was not subject to any fines, penalties or requests for compensation payments for any such incidents or complaints during the year. There were no cases (0) of severe human rights incidents related to SCA employees during the reporting period. Furthermore, SCA was not subject to any fines, penalties or requests for compensation for claims arising in connection with any such complaints during the year.

The metrics have not been validated by any party other than SCA's external auditor.

ESRS S2 – Workers in the value chain

Material impacts, risks and opportunities

Many jobs are created in the Company's value chain that are performed at SCA's facilities and on its land holdings, and at supplier and sub-supplier facilities. These include forestry operations, maintenance services, transport services, consulting services and production of input goods. SCA has agreements with a large number of suppliers. About 175 contractors are responsible for most of the harvesting work, about 100 for timber transportation to SCA's industries and about 100 for silvicultural measures. SCA's contractors and subcontractors in forest operations provide work for more than 1,100 people. In the Baltic region, nearly 200 contractors work with silviculture, harvesting and transportation for SCA.

For timber supply from private forest owners, SCA has created a purchasing organization with about 80 timber purchasers, distributed among local offices across the region. Through this organization, SCA has business relationships with approximately 18,000 private forest owners. Wood sourcing from forest companies and forest owner associations, as well as any imports, is managed by a central purchasing function.

SCA has carried out a double materiality assessment that included workers in the value chain. The materiality assessment indicates potential negative impacts in the areas of working conditions and other work-related rights, as it may be complex for the Company to have insight and control at all stages of the value chain; General Information SBM-3.

Working conditions
There may be a potential negative impact in the form of workers in the value chain being exposed to poor working conditions in the supply chain if insufficient supplier checks are carried out, such as for temporary employees and in conjunction with the use of subcontractors and foreign labor. The negative impact could involve low wages, insecure working conditions, inadequate health and safety, insufficient rest or excessive overtime.

Other work-related rights
Restrictions on freedom of association and insufficient opportunities for dialogue in the supply chain could lead to limitations of the rights of workers to join trade unions, engage in dialogue with employers or take part in collective bargaining and has been identified as a potential negative impact. Seasonal and migrant workers engaged by subcontractors could be exposed to insecure employment contracts, unfavorable wage conditions, limited access to protective equipment, language barriers and a lack of health and safety information, which could have a negative impact on workers in the value chain.

Link to business model and strategy

Many jobs are created in the Company's value chain that are performed at SCA's facilities and on its land holdings, and at supplier and sub-supplier facilities. SCA is dependent on access to different types of contractors and suppliers. Forestry and nature conservation contractors are particularly critical to the Company's activities as a means of securing the supply of raw materials and for managing its own forests and protecting biodiversity. Management of SCA's own forests secures the value of the forest asset for the future and the supply of wood raw material is critical for the Company to produce its products and generate climate benefit.

Policies

SCA's Code of Conduct, Sustainability Policy and instructions for contractors in forest operations form the basis for the Company's activities related to workers in the value chain. SCA has a Supplier Standard that is based on SCA's Code of Conduct and international standards. It has been formulated to ensure that suppliers share the Company's values and to minimize negative impacts in the supply chain. The Supplier Standard is global and applies to all of the Company's suppliers. The Supplier Standard states that suppliers are expected to impose similar requirements on their suppliers. The Supplier Standard sets requirements for suppliers in areas such as human rights and working conditions, health and safety, environmental impact, business conduct and sustainable purchasing.

In forestry, contractors and subcontractors must meet clear requirements and use checklists for documentation.

Actions

SCA has a range of measures in place to ensure that the work environment and working conditions in the value chain comply with SCA's requirements.

SCA has processes to review and approve suppliers and business partners before agreements are signed. Potential business partners are evaluated according to an instruction for Integrity Due Diligence (IDD) of business partners, before any cooperation is initiated. The evaluation comprises both commercial areas and issues concerning existing policies and processes regarding, for instance, human rights, the work environment, working conditions and business conduct. SCA's process for a sustainable supply chain includes suppliers' acceptance of SCA's Supplier Standard, risk assessments and audits of selected suppliers. To ensure that SCA's suppliers share the Company's set of values, SCA has formulated a Supplier Standard with which suppliers must comply. Checks are carried out to ensure that suppliers comply with SCA's Supplier Standard.

A process is in place to review and approve contractors to minimize the risk of negative impacts in forestry. A checklist is used when signing contracts and in conjunction with an annual supplier assessment, which is conducted with all contractors, to ensure that the contractor has F-tax and liability insurance, is PEFC-certified, offers occupational health services, has systematic health and safety management and has performed a general risk assessment of the assignments, and that workers have relevant training and that the contractor maintains a training register. The process and approach is the same regardless of whether the contractor is local or foreign. SCA also requires all contractors to be affiliated with either The Swedish Federation of Green Employers or to have a local collective agreement with the Swedish Union for Forestry, Wood and Graphical Industry (GS union). Another requirement from SCA is that all contractors' employees must complete the Forest Management School, a training program in forestry jointly created by several forestry companies, forest owner associations, the Swedish Vocational Board of Forestry and the Forestry Research Institute of Sweden. Depending on the tasks the contractors' employees are to perform, a requirement also exists for training in nature conservation. Forestry training is available in at least ten languages.

In addition to SCA's internal checklist, there is also an annual process that involves the GS union when SCA engages additional silviculture and harvesting contractors. The GS union often has more detailed knowledge of the contractors, and provides SCA with a statement on the status of the contractor, whether there may be shortcomings that need to be addressed or other issues that could influence the decision to hire or not hire the contractor.

SCA uses an external system to continuously evaluate suppliers' sustainability work in the areas of environment, working conditions, human rights, ethics and sustainable purchasing processes. Sustainability risks for just over 4,400 (4,400) of SCA's suppliers were assessed using the EcoVadis IQ tool, meaning all suppliers from which SCA has purchased goods and services for more than SEK 30,000 per year. The sustainability activities of almost 700 (500) of these suppliers were also studied in more detail with the help of EcoVadis. Regular risk and improvement reviews are conducted both internally, and in dialogue with suppliers. For the Company's existing suppliers, a risk-based review is performed and forms the basis of the selection of on-site audits at supplier facilities. SCA, or a third party appointed by SCA, visits suppliers and carries out an on-site audit to ensure compliance with the Supplier Standard. These audits are primarily conducted by staff who speak the local language at the site and any discrepancies are then addressed through an action plan with joint follow-up. In 2025, 9 (8) on-site audits were performed.

If the supplier or any of its own subcontractors do not comply with the requirements of the Supplier Standard, the supplier must take action so all of the requirements are met. In the event of non-conformances, a new evaluation is carried out to ensure that these have been corrected. If a supplier does not rectify the non-conformances, SCA may terminate the collaboration.

For harvesting and silvicultural service contractors, there is a procedure in place for supplier assessments, combined with controls and field visits. The requirements correspond to SCA's Supplier Standard and have been supplemented with requirements and controls linked to forest and forest management, including PEFC's contractor certification. Spot checks of SCA's contractors are conducted at regular intervals to monitor the quality of work performed and to ensure a secure work environment for the contractors' employees. More than 7,100 (7,000) follow-ups were carried out in the field in 2025. Contractor employees engaged in silviculture can also anonymously respond to a questionnaire on working conditions covering such issues as employment contracts, pay, working hours, accommodation, health and safety, and access to protective equipment. The surveys are available in ten languages.

GS union inspections and PEFC audits are also regularly carried out, in addition to SCA's own controls and spot checks.

To reduce potential negative impacts, SCA's contractors are subject to regular safety checks, for example, in the form of safety rounds. Dialogue on safety has intensified in recent years and aspects that are examined during safety rounds include protective equipment, work environment, transportation, barracks, sanitary spaces and order and cleanliness. Any shortcomings are followed up to ensure that they have been addressed.

One focus area has been to make the car a safe workplace. All planting, clearing and harvesting contractors have undergone training in areas such as road safety, wildlife, loading practices and behavior in traffic. Similar training provided by the National Society for Road Safety (NTF) is planned to be carried out in 2026 with the Company's soil scarification contractors.

Another example of safety work is the requirement for high-visibility workwear for everyone working in the forest. SCA also works together with machine manufacturers to further improve the work environment for operators. One example is the development of an operator seat that adapts to different body types.

SCA has an integrated collaboration with contractors and a close dialogue on operations, thereby enabling them to work together to create the right conditions. To ensure compliance with SCA's requirements and to minimize the risk of potential negative impacts, SCA performs spot checks on contractors and subcontractors in silviculture via site visits and employee questionnaires to determine legal compliance. Regular spot checks on legal compliance are performed on harvesting contractors in addition to the annual checklist. The spot checks verify legal compliance and that SCA's procedures are being followed in areas such as harvesting, quality, health and safety, and timber issues.

Targets and metrics

SCA aims to purchase goods and services from suppliers that share SCA's values and comply with the Company's Supplier Standard. The target is an acceptance rate for SCA's Supplier Standard of >98% among contract suppliers. In 2025, 98% (98) of contract suppliers accepted the Supplier Standard.

ESRS S3 – Affected communities

Material impacts, risks and opportunities

SCA wants to develop together with the communities in which it operates, thereby contributing to vibrant local communities where there are opportunities to earn a living and enjoy meaningful leisure activities. SCA's community engagement has a clear link to the Company's values, strategic priorities, expertise, operations and geographic presence. SCA engages in continuous dialogue with various stakeholders about how the Group can contribute to the positive development of society as a whole. This includes meetings and dialogue with municipal representatives, local residents, reindeer-herding Sami and people who live close to SCA's facilities.

Identified material impacts, risks and opportunities are outlined in General information SBM-3.

SCA conducts forestry operations in parts of northern Sweden that also contain traditional reindeer grazing areas for reindeer-owning Sami villages. There is a potential risk in these areas that measures such as harvesting, the construction of forest roads or soil scarification may have a negative impact on conditions for reindeer herding if insufficient consideration is given. This includes forest management activities in SCA-owned forests and in forests owned by other landowners from which it purchases raw material. The contorta pine, which is part of SCA's strategy for sustainable forestry, has a high growth rate that yields increased climate benefit but often forms dense stands, which can be problematic for reindeer herding and could have a potential negative impact.

SCA's operations and value chain create many jobs and contribute to the economic development of local communities, mainly in northern Sweden, which has been identified as a material positive impact for affected communities.

Risks have been identified in the form of limitations in the raw material supply, missed business opportunities or protracted project durations unless good relationships, consensus and coexistence are achieved. This may apply to forestry measures or the establishment of new operations, such as wind farms. Conversely, good relationships and coexistence have been identified as an opportunity to facilitate responsible forest management and the establishment of new operations.

Link to business model and strategy

The forest is at the core of SCA's operations and the Company's business model is to sustainably create the highest possible value from, out of and around this unique resource. With the force of the forest, we contribute to a sustainable future through responsible forest management, resource efficiency and renewable products.

SCA plays an active role in a variety of ways in local, regional and global development. SCA's substantial forest holdings and extensive industrial operations make the Company a visible and important local, regional and national player.

SCA contributes to the local economy in the municipalities in northern Sweden where the Company conducts operations. Most of SCA's approximately 3,500 employees, 98%, are employees in Sweden and the remaining 2% mainly in the rest of Europe. In addition to direct payments, in the form of various taxes, SCA generates the preconditions so that trade, services and public services can continue to exist in smaller rural communities. SCA's operations, where one very important element of the supply of raw material is the purchase of wood raw material from private forest owners, create jobs in rural areas, both directly and indirectly.

SCA's forests, and the forest roads that the Company builds, support ecotourism, hunting and fishing. Significant investments in industrial capacity and responsible forest management create value for the Company and for other forest owners in the region. One important factor in attracting companies to the region is sustainable transportation. SCA has built a new container port in Sundsvall, directly adjacent to the logistics park initiative undertaken by Sundsvall Municipality and which serves as an important transport hub.

Policies

SCA's Code of Conduct and SCA's Sustainability Policy form the basis for the Company's work related to affected communities. The Sustainability Policy covers areas such as developing in tandem with the communities where the Company operates, producing products in a manner that minimizes the negative impacts on people and the environment, and respecting human rights and the rights of indigenous people. The Policy is complemented by instructions to regulate the work in more detail, such as Instruction for sourcing of wood raw material.

All policies are adopted by the Board, while the Senior Vice President Sustainability and Communications is responsible for the implementation of the Sustainability Policy. The Policy applies to all operations in the SCA Group and is available publicly on sca.com. The work is followed up at Group level by SCA's Sustainability Council, which reports to Executive Management and to the Board of Directors.

The Company's process for identifying, assessing and managing negative impacts, is described in General information IRO-1.

Risks in the area are part of SCA's Group-wide process for identifying and managing risks, as described in the Company's Risk Management and Internal Control Policy, and in the risk section of the Board of Directors' Report. Identifying and developing opportunities is part of the Company's strategy process.

Actions

SCA wants to support the sustainable development of the communities in which we operate. The Company's actions related to affected communities focus on three areas: constructive dialogue and collaboration with reindeer herders, promoting skills development, and establishing and developing activities that create value in and from the forest. Actions also include supporting the local community in sports, culture and other areas to promote attractiveness and meaningful leisure activities.

Constructive discussion and partnership with reindeer herders

Some 30 Sami communities have legal and customary rights to herd reindeer on SCA's land. Active discussions between parties, both at central and local level, ensure that the needs of the reindeer herders are taken into account as a natural part of our forestry practices. With the support of the dialogue, we seek the information needed to adapt forest management to the needs of reindeer herding. Using these key tools, we aim to support long-term collaboration between forestry and reindeer herders. This work is based on the principles of Free, Prior and Informed Consent (FPIC) and is carried out to ensure consideration of the needs of reindeer herders while maintaining our long-term strategies for sustainable forestry.

Co-planning is an integrated process at local and landscape level, carried out in a joint process, which enables landscape planning over large geographical areas and longer time horizons. The co-planning process is designed to create good conditions for both reindeer herding and forestry to coexist in good spirit in line with the principles of FPIC. An important part of co-planning is that reindeer herders can address their specific needs through their reindeer husbandry plans, which provides a basis for discussion and adjustments of forestry planning. During the year, we obtained more information from a number of Sami communities on the most important areas for reindeer herding, which provided good support for developing our forest management strategies to better meet the needs of reindeer herding.

The joint web platform samplanering.se is used to facilitate collaboration, where information on planned forestry measures is shared with the Sami communities. The platform allows the Sami communities to provide feedback, which is a very important part of the information flow before physical or digital meetings. Collaboration takes place from a landscape perspective, where forest operations such as clearing, thinning, solid biofuel management and alternative harvesting methods are adapted in areas of high significance for reindeer husbandry. On land suitable for maintaining or improving conditions for ground lichen grazing, targeted interventions are carried out to promote the conservation and growth of ground lichen.

Contorta pine, which is an important part of SCA's strategy for sustainable forestry, has a high growth rate, which benefits the climate through high carbon dioxide removals from the atmosphere, but can also cause dense stands that sometimes hinder reindeer herding. Therefore, no new contorta pine stands will be established without co-planning with the relevant Sami communities. The co-planning also includes developing appropriate measures in existing stands of contorta pine to support the needs of reindeer herding.

Promoting skills development, the establishment and development of operations that create value in and from the forest
SCA strives to promote skills development, and the establishment and development of operations that create value in and from the forest. One example is the Forestry Machine Operator Training Program that SCA conducts to ensure access to machine operators in the forest industry and also create employment opportunities, often in rural areas. Other examples are SCA's participation in various research and development programs together with universities, research institutes and commercial entities at the national and international level. The proximity between SCA R&D Centre and Mid Sweden University in Sundsvall has contributed to several research and innovation projects in the region and to attracting talent.

Supporting the local community to contribute to attractiveness and meaningful leisure activities
SCA aims to support the local community in sports, culture and other areas that can promote meaningful leisure activities and the attractiveness of communities where the Company operates. SCA sponsors almost 200 associations in its operational area, from southern Norrland to the north. Partnerships with voluntary associations help to strengthen local communities and promote sustainable social development, where residents enjoy a sense of well-being and meaningful leisure activities. SCA supports associations in sports, outdoor life and culture. SCA mainly sponsors activities for children and young people, but elite activities are also valuable as they create attractiveness. Elite sport also creates role models and motivation for our young people, and supports inclusion in society.

Targets and metrics

SCA's Group targets contribute to sustainable development in the communities in which we operate. This includes constructive dialogue and collaboration with reindeer herders, promoting skills development, and establishing and developing operations that create value in and from the forest. It also involves supporting the local community in sports, culture and other areas to promote attractiveness and meaningful leisure activities.

In 2025, co-planning took place between SCA and 24 (21) Sami communities, encompassing approximately 3,800 (5,100) forest holdings. In addition to physical meetings, the dialogue with the Sami communities is maintained continuously throughout the year via various channels. The physical meetings are planned to take place mainly during the winter months to fit the reindeer husbandry's year cycle and for efficient planning of the measures to be implemented, and may be followed by one or more joint field meetings during the summer. In recent years, the co-planning process has not been effective in enabling long-term and sound planning of forestry operations. To ensure an efficient and effective process, we see a need for continued development and improvement of the process. This would create the foresight needed to implement more adjustments that benefit reindeer husbandry and provide the long-term perspective needed for planning forest operations. SCA therefore continuously evaluates methods and processes together with the reindeer herders to streamline and improve collaboration.

In 2025, two Forestry Machine Operator Training with a total of 25 participants were successfully completed. Four (five) start-up companies participated in this year's round of the Forest Business Accelerator. The companies work with, among other things, unmanned vehicles, AI-based measurement methodologies for field inventory and plant-based ingredients for food.

In 2025, 196 central agreements provided sponsorship to local sports, culture and health associations.

Governance information

ESRS G1 – Business conduct

G1 GOV-1: The role of the administrative, supervisory and management bodies

The Board of Directors has overall responsibility for the Company's organization and administration through regular monitoring of the business and by ensuring the appropriateness of the organization and management team, and also compliance with guidelines and internal control.

To ensure that SCA and its employees live up to the Company's core values, SCA has a Code of Conduct. The Code of Conduct serves as the basis for its corporate culture and is founded on SCA's core values: responsibility, respect and excellence. It is reflected in the way SCA treats people, does business and conducts its operations. The Code is a framework for how the Group's core values are put into practice and is aiming to ensure that SCA's employees and others who represent SCA live up to the Group's core values and do not participate in unethical business or activities.

The Code of Conduct is a policy approved by the Board of Directors and is regularly reviewed. The Code includes principles on business conduct, anti-corruption, relationships to employees, respect for human rights and environmental considerations. Both employees and Executive Management are continuously trained in the Company's Code of Conduct. The Policy is available publicly on sca.com.

SCA has a Group-wide Compliance Council that continuously monitors reported cases of suspected potential violations of the Code of Conduct in terms of scope, outcome and measures. SCA's Compliance Council reports potential and confirmed violations of the Code of Conduct to SCA's Audit Committee on an ongoing basis. The Compliance Council is tasked with ensuring an effective and functional framework for compliance issues, updating regulations and governing documents as necessary, and following up and possibly handling suspected breaches of the Code of Conduct. The Council's tasks also include having an overview of issues related to anti-corruption and business conduct, complaints, audit deviations, GDPR administration and the annual internal control in relevant areas.

The Board of Directors' Audit Committee oversees matters such as compliance, financial reporting, the effectiveness of the Company's internal controls, the internal audit and risk management.

SCA's internal audit function evaluates SCA's internal processes for purchasing, financial reporting, business conduct, sustainability reporting, compensation and benefits, personnel-related issues, and compliance with SCA's policies, including follow-ups of the Code of Conduct and global instructions. The internal audit reports to the Audit Committee.

G1 IRO-1: Description of the processes to identify and assess material impacts, risks and opportunities

SCA conducted a double materiality assessment in 2025. The processes to identify and assess material impacts, risks and opportunities are described in General information IRO-1. Specifically in the area of business conduct, interviews have been conducted with both internal and external stakeholder groups. External stakeholders that have provided SCA with insights into responsible business conduct include suppliers, private forest owners, investors, the credit market and representatives from the local community. The materiality assessment carried out for the entire Group identified two areas of potential negative impact and two risks.

Corporate culture
A good and healthy corporate culture is an important factor in responsible business conduct. Deficiencies or inconsistencies in corporate culture could lead to behavior contrary to SCA's values and impact decisions, the work environment and the Company's reputation. This has been identified as a potential negative impact.

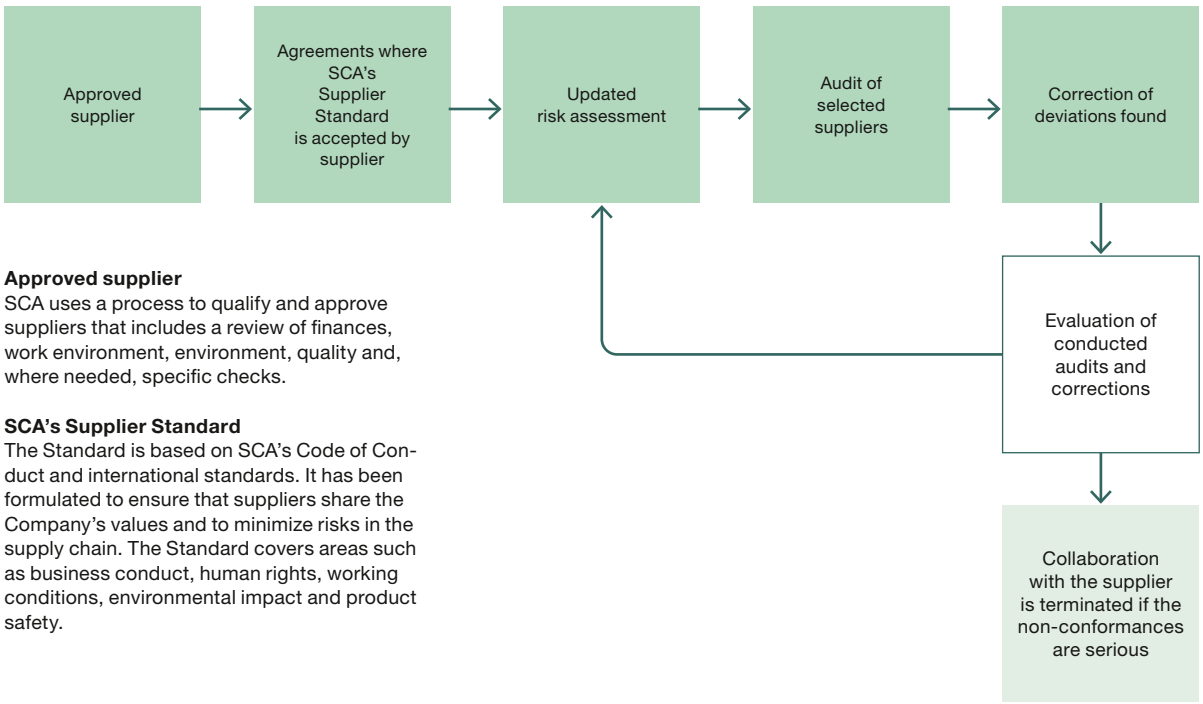
Deficiencies in the corporate culture could also lead to poorer target achievement and risk of regulatory non-compliance, which could impact the Company's financial position and is considered a potential financial risk.

Management of relationships with suppliers including payment practices
SCA has an extensive network of small and mid-sized suppliers. In these relationships, there is a risk for a potential power imbalance, which could create a dependency. This has been identified as a potential negative impact in managing relationships with suppliers in the short, medium and long term.

Corruption and bribery
SCA rejects all forms of corruption and bribery and strives in various ways to minimize the risk of this occurring. Should corruption and bribery nonetheless occur in operations or among business partners, this could have financial effects and a negative impact on the Company's reputation. This has been identified as a potential financial risk.

SCA's process for a sustainable supply chain

It is important that the Company's suppliers share our values. Regular reviews of risk and improvement potential enable us to develop together.



Approved supplier
SCA uses a process to qualify and approve suppliers that includes a review of finances, work environment, environment, quality and, where needed, specific checks.

SCA's Supplier Standard
The Standard is based on SCA's Code of Conduct and international standards. It has been formulated to ensure that suppliers share the Company's values and to minimize risks in the supply chain. The Standard covers areas such as business conduct, human rights, working conditions, environmental impact and product safety.

G1-1: Business conduct policies and corporate culture

SCA operates in many different contexts – large and small. SCA's actions have an impact on nature, the environment, people and communities. Therefore it is important to ensure that operations are always responsibly conducted.

SCA has a robust internal framework for the identification, assessment, management and/or remediation of its material impacts, risks and opportunities related to business conduct matters and the Company's corporate culture. SCA's Code of Conduct serves as the basis for its corporate culture that is founded on SCA's core values – responsibility, respect and excellence. The Code of Conduct applies to all operations and all employees within SCA. It also applies to temporary employees, consultants and others representing SCA or acting on behalf of SCA. The Code is reflected in the way we treat each other and the Company's stakeholders, in the way business is carried out and how operations are conducted. The Code is the foundation for how the Group's core values are put into practice and aims to ensure that SCA's employees and others who represent SCA live up to its core values. Based on the Code of Conduct, several additional Group-wide policies, instructions and guidelines have been adopted that regulate in more detail the areas covered by the Code. These include SCA's Sustainability Policy, HR Policy, Anti-Corruption Instruction and guidelines for compliance with competition law.

The Code of Conduct is based on the UN Declaration of Human Rights, the International Labour Organization's (ILO) Core Conventions, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact. For example, the Code establishes that health and safety must always be accorded the highest priority and underlines a strict prohibition against bribery, fraud, extortion and all other forms of corruption. SCA takes responsibility for and nurtures the environment and society, is committed to respecting human rights and freedom of association, and has a zero-tolerance policy on child and forced labor, which is also established in the Code. The Code also describes how SCA works to broaden diversity among employees and the equal treatment of all employees regardless of sex, transgender identity or expression, marital status, parental status, ethnic, national or social origin, sexual orientation, religion, political affiliation, age, disability or any other protected characteristic. The Code of Conduct is published on SCA's intranet and externally on sca.com.

The Code of Conduct is adopted annually by the Board of Directors and SCA's General Counsel has overall responsibility for its implementation.

The Code applies to all markets in which SCA conducts operations. All employees within the Group and others who represent SCA must comply with SCA's Code of Conduct. SCA's corporate culture is evaluated and monitored, for example, through an assessment by internal control of compliance with the Code of Conduct and by analyzing and following up reported deviations. Employees also have the opportunity to make their voices heard in SCA's All Employee Survey.

New employees are trained in the Code of Conduct as part of their introduction, and all employees undergo a refresher course every third year. The training includes, inter alia, the areas of health and safety, business conduct, anti-corruption and fair competition, respect for human rights, diversity and non-discrimination, the environment and sustainability, community relations and information security and privacy. During the year, the percentage of permanent employees who received training in the Code of Conduct amounted to 98%. All white collar employees receive additional anti-corruption training every two years. Functions that may be particularly exposed to risks, such as employees in senior positions and/or who have external contacts, and new employees in selected functions, receive regular in-depth anti-corruption training through seminars, according to a specific training program.

SCA has also formulated a Supplier Standard based on the Code of Conduct and international standards to ensure that the Company's suppliers share the Company's values and to minimize risks in the supply chain. This work is described in more detail in section G1-2.

SCA encourages all employees to report suspected violations of the Code of Conduct or related laws via SCA's normal channels. These include line managers, HR managers, legal counsel, union representatives or via SCA's whistleblower system. The Company applies instructions for whistleblowing drawn up in accordance with the applicable legislation that includes the Whistleblowers Act, which incorporates Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law. The whistleblower system, which is available in Swedish, English and French, is an encrypted reporting channel provided by a third party and is publicly available on sca.com. SCA's whistleblower system is available to both employees and external stakeholders. Reports can be submitted anonymously and are promptly processed in full confidence and in a professional manner by recipients with adequate competence and experience in legal matters and HR. All such processes take into account current personal data legislation. Experts can be called in to the investigation process as required. As stated in the Code of Conduct and SCA's instructions for whistleblowing, anyone who reports a genuine suspicion in good faith is protected against all subsequent forms of retaliation or other unfavorable treatment. This protection also applies to anyone connected to a whistleblower, for example relatives, colleagues or anyone who assisted with the report. Furthermore, SCA does not tolerate retaliation on the grounds of someone seeking advice from their employee organization in regard to the report. It is also strictly forbidden to prevent, or attempt to prevent, anyone from seeking such advice. This is stated in SCA's own internal regulations and in the Whistleblowers Act. Instruction on how to submit a report is included in Code of Conduct training and as part of in-depth anti-corruption training.

G1-2: Management of relationships with suppliers

SCA relies on a range of suppliers of goods and services to conduct business. The Company's purchasing activities are mainly linked to a shared purchasing organization where purchasing is coordinated and the buyers are responsible for most of the dialogues with the Company's suppliers. Silviculture and harvesting contractors are procured by the Forest business area.

For SCA, it is important that business is conducted on ethical terms. Through its use of system support, guidelines and internal audits, SCA ensures fair and responsible business arrangements, including payment practices. SCA has a process to safeguard a sustainable supply chain that includes evaluation of suppliers, acceptance of SCA's Supplier Standard by suppliers, and risk assessments and audits of selected suppliers; see SCA's process for a sustainable supply chain.

Before entering into a business relationship or collaboration with suppliers, potential suppliers are evaluated in accordance with the Company's instructions for Integrity Due Diligence (IDD). The evaluation covers commercial issues and reviews such factors as sanctions and negative media. Issues concerning the business partner's existing policies and processes regarding, for instance, human rights, the work environment, working conditions and business conduct are also evaluated.

SCA wants to ensure safe and high-quality goods and services for its customers and consumers, produced and delivered with respect for human rights, people and the environment. To ensure that SCA's suppliers share the Company's set of values, SCA has formulated a Supplier Standard with which suppliers must comply. The Standard is based on SCA's Code of Conduct and international standards. It has been formulated to ensure that suppliers share the Company's values and to minimize risks in the supply chain. The Supplier Standard sets requirements for suppliers in areas such as human rights, working conditions, health and safety, environment, business conduct and sustainable purchasing. For harvesting and silvicultural service contractors, there is a procedure in place for supplier assessments, combined with controls and field visits. The requirements correspond to SCA's Supplier Standard and have been supplemented with requirements and controls linked to forest and forest management, including PEFC's contractor certification.

To minimize negative impacts and risks in the supply chain, SCA conducts regular risk and improvement reviews both internally and in dialogue with suppliers. SCA uses an external system from EcoVadis and Dun & Bradstreet for evaluating suppliers' sustainability work in the areas of environment, working conditions, human rights, ethics and sustainable purchasing processes. On the basis of risk assessments, audits are also conducted on-site. SCA, or a third party appointed by SCA, visits suppliers and carries out on-site reviews or audits to ensure that the suppliers comply with SCA's Supplier Standard.

G1-3: Prevention and detection of corruption and bribery

SCA bases its business activities on honesty, integrity and responsible business conduct. Work to combat corruption is included in SCA's Code of Conduct and SCA's Anti-Corruption Instruction establishes rules to prevent corruption in the Group's operations regardless of country. The Company must comply with applicable laws, regulations and SCA policies and instructions. Bribery, fraud, extortion and all other forms of corrupt business practice are strictly prohibited and will not be tolerated. Neither SCA nor anyone acting on SCA's behalf may offer, give, receive, approve or make available any payments, gifts or other benefits that could affect or appear to affect objectivity in business decisions or the actions of a government official. SCA's Code of Conduct and Anti-Corruption Instructions are publicly available on sca.com. All of the Company's policies and instructions are available to employees in the Group's internal document management system. In 2024, a new anti-corruption guideline was launched with more detailed information, and examples of situations to highlight practical issues and offer guidance to employees in their everyday work.

Corruption includes using one's position to achieve an unfair advantage for your own gain or the gain of another person. This includes bribery that entails providing, offering, receiving or requesting an unfair benefit. The Company's efforts to prevent and detect corruption and bribery include a range of active measures.

Anti-corruption is included in Code of Conduct training, and all employees in all operations and areas where SCA operates receive this training, both as new employees and with recurrent training every three years. All white collar employees receive additional anti-corruption training every two years to enhance the employee's ability to identify and avoid the risk of corruption and to provide clear guidance for how to act ethically in potentially complex situations. The additional training applies to white collar employees in all of SCA's operations, both in Sweden and in other countries. In 2025, the target group for the expanded training amounted to around 1,600 employees, representing almost 50% of all employees. Functions that may be particularly exposed to risks, such as employees in senior positions and/or who have external contacts, and new employees in selected functions, receive regular in-depth anti-corruption training through seminars, according to a specific training program.

SCA stands for open and fair competition, which means that business must always be conducted honestly and in compliance with applicable competition laws. SCA complies with competition laws and strives to combat cartelization, price fixing, the carving up of customers or geographic markets, bid rigging or abuse of a dominant position. SCA has established programs to increase knowledge among employees of competition laws. The target group is employees with market-related contact and includes about 500 individuals, including sales and purchasing functions. SCA has well-established guidelines for compliance with competition law. These are distributed annually to the target group, who must confirm that they have read and acknowledged the guidelines. In addition to training for employees and new employees in the relevant target group, regular seminars are held that discuss issues and news in the area. During the year, there were no ongoing (0) cases against SCA related to breaches of competition law. Nor has SCA been subject to any legal process during the current or preceding year.

SCA also works actively to avoid conflicts of interest for employees. As set out in SCA's Code of Conduct, employees must always act in SCA's best interest and avoid conflicts of interest. The Company's Conflict of Interest Instruction sets out the meaning of conflicts of interest and how potential conflicts of interest shall be reported.

SCA operates in accordance with applicable money laundering legislation. SCA also undertakes to comply with applicable national and international rules on trade restrictions and sanctions that apply in the countries where the Company operates. All financial information must be accurately reported in a non-misleading manner in accordance with SCA's accounting practices.

SCA's suppliers and other business partners are expected to follow similar principles to those in the Code of Conduct in their own operations. Compliance with these principles is an important criteria when SCA selects business partners. SCA has a process for evaluating potential business partners before any cooperation is initiated. The evaluation covers both commercial areas and business ethics matters. To ensure that SCA's suppliers share the Company's set of values, SCA has also established a Supplier Standard that includes the business conduct requirements that suppliers must follow. Control and follow-up measures in these areas are specified in section G1-2.

Business conduct risks are included in SCA's Group-wide process for the identification and management of risks as described in the Company's Risk Management and Internal Control Policy, where the effectiveness of the control activities is monitored through evaluations and the Company's internal audit. Compliance is also monitored by analyzing reported cases, see section G1-4.

SCA encourages anyone who suspects that something is not right to report it. Normal channels for reporting breaches, incidents and complaints include line managers, HR managers, legal counsel or union representatives. Each business area has also appointed specific functions to independently and autonomously receive complaints. In addition, there is a whistleblower system available on sca.com which is open to employees as well as individuals who do not work at SCA. Complaints may be submitted anonymously and are at all times handled confidentially, promptly and professionally, and in accordance with applicable personal data legislation. Even if an allegation cannot be substantiated, preventive actions may be implemented.

The Company applies instructions for whistleblowing drawn up in accordance with the applicable legislation that includes the Whistleblowers Act, which incorporates Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law. Cases that are reported are handled by independent and autonomous functions appointed by the respective business within SCA, where persons reviewing and handling cases are independent from the parties involved in each complaint. If necessary, the investigation is carried out by a third party. Anyone who reports a genuine suspicion in good faith is protected against all subsequent forms of retaliation or other unfavorable treatment. This protection also applies to anyone connected to a whistleblower, for example relatives, colleagues or anyone who assisted with the report. Furthermore, SCA does not tolerate retaliation on the grounds of someone seeking advice from their employee organization in regard to reporting. It is also strictly forbidden to prevent, or attempt to prevent, anyone from seeking such advice. Information about how to make a report and the subsequent process can be found on sca.com. Employees are informed through Code of Conduct training and anti-corruption training. Training for recipients and investigators is provided in small groups on a regular basis. The scope, outcome and actions taken concerning reported cases are followed up by SCA's Compliance Council, which regularly reports to the Board's Audit Committee.

G1-4: Incidents of corruption or bribery

Reported cases and complaints in 2025
SCA uses a number of methods to safeguard compliance with prevailing law and the Company's Code of Conduct. These include risk assessment, audits by external and internal auditors, the Company's internal control, incident reporting and controls in connection with acquisitions. Suspected breaches are investigated and handled in accordance with SCA's instructions for whistleblowing, which also offers the possibility to report anonymously. All reports are treated confidentially, promptly and professionally and in accordance with applicable data protection legislation. Breaches are taken very seriously and can lead to disciplinary action, which may include dismissal. If the breach constitutes a criminal offense, it may also lead to legal action. Even if an allegation cannot be substantiated, preventive actions may be implemented. The scope, outcome and actions taken concerning reported cases are followed up by SCA's Compliance Council, which regularly reports to the Board's Audit Committee.

In 2025, 12 (9) cases of potential breaches of the Code of Conduct were reported and investigated, which included cases of theft and fraud, corruption and conflicts of interest and other breaches. Of these, 2 (5) cases were confirmed as breaches of the Code. In addition, one further breach of the Code was confirmed during the year, linked to a case reported in 2024. 2 cases were ongoing at the end of the year. SCA has not been subject to any convictions (0) or fines (0) for violations of anti-corruption and bribery laws during the reporting period. During the year, no (0) criminal charges relating to bribery and corruption were brought against SCA or its employees.

G1-6: Payment practices

The table below shows the average payment period, the agreed payment period and the percentage of payments made on time to small and mid-sized companies. SCA pays suppliers according to Swedish practice, which means an average payment period of approximately 32 days. A search was conducted in the Group's financial systems for supplier invoices and when these were paid from January 1 to September 30, that included all SCA companies with more than 249 employees. Payment periods were obtained from the financial systems for the first three quarters and are estimated to be similar for the fourth quarter. Data is based on suppliers with 0 to 249 employees. The metrics have not been validated by any party other than SCA's external auditor.

SCA has no legal proceedings concerning late payments to suppliers.

	Number of employees at suppliers		
Payment practices	**0–9**	**10–49**	**50–249**
Average payment period, number of days	29	30	39
Agreed payment period, number of days	26	27	31
Percentage of payments made on time, %	59	58	55

Financial statements and notes

GROUP

This symbol takes you back to this table of contents.

PARENT COMPANY

Consolidated income statement (IS)

SEKm	Note	2025	2024
Net sales	B1	20,427	20,232
Other operating income	B1, B2	3,020	3,395
Revenue		**23,447**	**23,627**
Change in inventories		71	105
Change in value in biological assets	D3	1,782	1,840
Raw materials and consumables	B3	–5,610	–5,081
Personnel costs	C1	–2,796	–2,781
Other operating expenses	B4	–10,325	–10,421
Result from participations in associated companies and joint ventures	F2	–5	–146
EBITDA		**6,564**	**7,143**
Depreciation, amortization and impairment		–2,132	–2,116
Operating profit		**4,432**	**5,027**
Financial income	E7	86	79
Financial expenses	E7	–519	–585
Profit before tax		**3,999**	**4,521**
Income taxes	B5	–794	–882
Profit for the year		**3,205**	**3,639**
Profit for the year attributable to:			
Owners of the Parent		3,205	3,639
Non-controlling interests		0	-
Earnings per share			
Earnings per share (SEK) – owners of the Parent[1)]	E8	4.56	5.18
Dividend per share, SEK[2)]		3.00	3.00

[1)] There are no dilution effects.
[2)] Dividend for 2025 pertains to the Board's proposal to the Annual General Meeting.

Consolidated statement of comprehensive income (OCI)

SEKm	Note	2025	2024
Profit for the period (IS)		**3,205**	**3,639**
Other comprehensive income for the period:			
Items that cannot be transferred to profit for the period			
Change of value land assets	D3	–5,346	–2,376
Revaluation of defined benefit pension plans		744	229
Income tax attributable to components in other comprehensive income		919	453
Total		**–3,683**	**–1,694**
Items that have been or may be reclassified subsequently to the income statement			
Cash flow hedges:			
Result from revaluation of derivatives recognized in equity		699	–419
Transferred to the income statement for the period		–426	–65
Hedge cost		0	12
Translation differences in foreign operations		–208	125
Income tax attributable to components in other comprehensive income		–47	97
Total		**18**	**–250**
Other comprehensive income for the period, net of tax		**–3,665**	**–1,944**
Total comprehensive income for the period		**–460**	**1,695**
Total comprehensive income attributable to:			
Owners of the Parent (EQ)		–460	1,695
Non-controlling interests (EQ)		0	-

Consolidated statement of change in equity (EQ)

SEKm	2025	2024
Attributable to owners of the Parent		
Value January 1	**104,035**	**104,284**
Total comprehensive income for the period (OCI)	–460	1,695
Cash flow hedge, transferred to acquisition cost of hedged investments	45	–1
Tax on cash flow hedge	–9	0
Dividend	–2,107	–1,931
Acquisition of non-controlling interests	0	–12
Value December 31	**101,504**	**104,035**
Non-controlling interests		
Value January 1	**-**	**-**
Total comprehensive income for the period (OCI)	0	-
Capital contribution to non-controlling interests	17	-
Value December 31	**17**	**-**
Total equity, value December 31	**101,521**	**104,035**

For further information, see Note E8.

Consolidated balance sheet (BS)

SEKm	Note	2025	2024
ASSETS			
Non-current assets			
Intangible assets	D1	1,301	1,025
Buildings, land, machinery and equipment	D2	24,935	25,239
Forest assets	D3	103,766	107,329
of which land assets	D3	*41,536*	*46,974*
of which biological assets	D3	*62,230*	*60,355*
Right-of-use assets	D4	459	573
Holdings in associated companies and joint ventures	F2	1,146	1,156
Surplus in funded pension plans	C5	3,168	2,448
Non-current financial assets	E2	158	155
Deferred tax assets	B5	60	35
Other non-current assets		13	3
Total non-current assets		**135,006**	**137,963**
Current assets			
Inventories	D5	6,555	5,730
Trade receivables	E3	3,196	3,279
Current tax assets	B5	58	56
Other current receivables	D6	970	803
Current financial assets	E2	82	92
Cash and cash equivalents	E2	590	1,328
Current assets excluding assets held for sale		**11,451**	**11,288**
Assets held for sale	G1	-	12
Total current assets		**11,451**	**11,300**
Total assets		**146,457**	**149,263**
EQUITY AND LIABILITIES			
Equity	E8		
Owners of the Parent			
Share capital		2,350	2,350
Other capital provided		6,830	6,830
Reserves		31,147	35,367
Retained earnings including profit for the year		61,177	59,488
Total equity owners of the Parent		**101,504**	**104,035**
Non-controlling interests		17	-
Total equity		**101,521**	**104,035**
Non-current liabilities			
Non-current financial liabilities	E4	12,620	11,519
Provisions for pensions	C5	300	325
Deferred tax liabilities	B5	24,115	24,348
Other non-current provisions	D8	57	58
Other non-current liabilities	D7	0	0
Total non-current liabilities		**37,092**	**36,250**
Current liabilities			
Current financial liabilities	E4	2,017	3,064
Trade payables	D9	4,580	4,440
Current tax liabilities	B5	4	10
Current provisions	D8	73	172
Other current liabilities	D7	1,170	1,292
Total current liabilities		**7,844**	**8,978**
Total liabilities		**44,936**	**45,228**
Total equity and liabilities		**146,457**	**149,263**

Consolidated cash flow statement (CF)

SEKm	Note	2025	2024
Operating activities			
Profit before tax (IS)		3,999	4,521
of which interest received		*14*	*18*
of which interest paid		*–420*	*–571*
Adjustment for non-cash items (CF:1)		433	315
Change in liabilities regarding restructuring costs		–19	–17
Paid tax	B5	–197	–293
Cash flow from operating activities before changes in working capital		**4,216**	**4,526**
Cash flow from changes in working capital			
Change in inventories		–856	–367
Change in operating receivables		41	–356
Change in operating liabilities		616	–317
Cash flow from operating activities		**4,017**	**3,486**
Investing activities			
Business combinations and asset acquisitions		-	–117
Divestments		0	-
Investments in intangible fixed assets (CF:2)		–172	–138
Investments in tangible fixed assets (CF:2)		–1,370	–1,344
Strategic net investments in intangible and tangible fixed assets (CF:2)		–1,273	–689
Sale of tangible fixed assets (CF:2)		233	560
Acquisitions and divestments		–23	24
Cash flow from investing activities		**–2,605**	**–1,704**
Financing activities			
Loans raised	E4	2,762	2,653
Amortization of debt	E4	–2,576	–1,466
Amortization of debt, leases	E4	–223	–215
Dividend	E8	–2,107	–1,931
Cash flow from financing activities		**–2,144**	**–959**
Cash flow for the period		**–732**	**823**
Cash and cash equivalents, January 1		1,328	502
Exchange rate differences in cash and cash equivalents		–6	3
Cash and cash equivalents, December 31	E2	**590**	**1,328**

TABLE CF:1

Adjustment for non-cash items

SEKm		2025	2024
Depreciation and impairment of non-current assets (IS)	D1, D2, D4	2,132	2,116
Change in value in biological assets (IS)	D3	–1,782	–1,840
Gain/loss on sales and swaps of assets		57	–72
Unrealized gain/loss on hedged items		–143	97
Accrued interest		–1	–12
Other		170	26
Total		**433**	**315**

TABLE CF:2

Net investments in intangible and tangible fixed assets

SEKm		2025	2024
Current net investments in intangible and tangible fixed assets	B1	–1,309	–922
Strategic capital expenditures in intangible and tangible fixed assets	B1	–1,273	–689
Total		**–2,582**	**–1,611**

For information concerning the Group's liquidity reserve, see the risk section in the Board of Directors' Report.

A Accounting principles and application of alternative performance measures (APM)

A1 General accounting principles and new accounting rules

Reading instructions
General accounting principles and new accounting rules § are presented below. Other accounting principles considered material by SCA are presented in conjunction with the respective note. The same principles are usually applied in both the Parent Company and the Group. In cases when the Parent Company applies principles other than those used by the Group, these principles are specified under the respective note in the section about the Parent Company.

Key assessments and assumptions ! are presented under the respective notes. The preparation of financial statements in conformity with international accounting standards and generally accepted Swedish accounting principles requires assessments and assumptions that affect recognized asset and liability items, income and expense items, as well as other information disclosed. These assessments and assumptions, which also includes estimates based on, amongst other, chosen valuation models, are often based on historical experience, but also on other factors, including expectations of future events. With other assessments and assumptions, the result may be different and the actual result will seldom fully concur with the estimated result.

The areas that SCA considers to be impacted the most by assessments and assumptions are:
- Remuneration after completion of employment, Note C5.
- Forest assets, Note D3.

Amounts that are reconcilable to the income statement, balance sheet, comprehensive income, equity and cash flow statement and tables in notes are marked with the following symbols.

IS	Consolidated income statement
OCI	Consolidated statement of comprehensive income
EQ	Consolidated statement of change in equity
BS	Consolidated balance sheet
CF	Consolidated cash flow statement
XX:X	Reference to table in note

Company information
Svenska Cellulosa Aktiebolaget SCA (publ), corporate registration number 556012-6293, is a public limited liability company whose shares are listed and traded on the Nasdaq Stockholm exchange (for more information, see "The share and owner" on pages 66–68).

Its registered office is in Sundsvall, Sweden, with the postal address SE-851 88 Sundsvall, Sweden. The Group mainly operates in the forest industry.

Basis for preparation
The SCA Group's financial statements are prepared in accordance with the Annual Accounts Act, International Financial Reporting Standards (IFRS ®) and International Accounting Standards (IAS), as adopted within the EU, and the Swedish Corporate Reporting Board, Recommendation RFR 1 Supplementary Accounting Rules for Groups. The Parent Company's financial statements are prepared in accordance with RFR 2, Reporting by Legal Entities, and the Annual Accounts Act. The accounts for both the Group and the Parent Company relate to the fiscal year that ended on December 31, 2025.

Biological assets are measured at fair value in the income statement. Land assets attributable to forest assets are measured at fair value in other comprehensive income. In the Parent Company, biological assets are measured at acquisition cost.

SCA applies the mandatory exemption in IAS 12 Income taxes to not recognize deferred tax in respect of top-up tax arising from the Operation for Economic Co-operation and Development's (OECD) Pillar 2 model rules for global minimum tax (top-up tax). For further information, see Note B5.

The Annual Report and the consolidated financial statements have been signed and approved for publication by the Board of Directors on February 26, 2026.

The balance sheets and income statements are subject to adoption by the Annual General Meeting on March 27, 2026.

Changes to accounting principles
New or revised IFRS or interpretations from the International Financial Reporting Interpretations Committee (IFRIC) have not had any material impact on the Group's financial reporing.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements and is effective from January 1, 2027 and is expected to have an impact on SCA's financial reporting. SCA is continuing to evaluate the effects of the implementation. No other new or amended standards or interpretations, which are not yet effective, have been applied early and are not expected to have any material impact on the Group's financial reporting.

Principles of consolidation
The Group's financial statements are prepared in accordance with the Group's accounting principles and include the accounts of the Parent Company and all Group companies.

Subsidiaries
All companies over which the Group has a controlling influence are consolidated as subsidiaries.

Translation of foreign currency
Functional currency and translation of foreign Group companies to the presentation currency
SCA's Parent Company has Swedish kronor (SEK) as its functional currency. The financial statements of Group companies are translated to the Group's presentation currency, which is SEK in the case of SCA.

Exchange rate effects arising from financial instruments used to hedge foreign subsidiaries' net assets are recognized in other comprehensive income, which is a component of translation reserves in equity.

Transactions and balance sheet items in foreign currency
Transactions in foreign currency are translated to a functional currency using the rate prevailing on the transaction date. In cases where the exchange rate effect is related to the operations, the effect is recognized net in operating profit. Exchange rate effects pertaining to borrowing and financial investments are recognized as other financial items.

Non-monetary assets and liabilities recognized at historical cost are translated at the exchange rate prevailing on the transaction date.

If hedge accounting has been applied, for example, for cash flow hedges or hedging of net investments, the exchange rate effect is recognized in equity under other comprehensive income.

For financial assets in the form of equity instruments that are not held for trading, the portion of the value change pertaining to currency is recognized in the income statement. Any other unrealized change is recognized in equity under other comprehensive income.

Revenue recognition
Net sales includes consideration for goods sold, including revenue from own wind power, within the Group's main business. This consists entirely of revenue from contracts with customers and is recognized in accordance with IFRS 15 Revenue from Contracts with Customers. Other operating income includes income from SCA's transport activities, the sale of forest seedlings, gravel, district heating, electricity, guarantees of origin pertaining to wind power, tall oil and wood pellets, income from leases, land lease income from wind power, hunting and fishing rights, and capital gains from the sale of non-current assets. Most other operating income consists of revenue from contracts with customers and is recognized in accordance with IFRS 15. Income from sustainability instruments from pulp mills is recognized as reduced energy costs. Dividends received are recognized when the right to receive a dividend has been established.

Government grants
Government grants related to acquisition of assets are recognized in the balance sheet by the grant reducing the carrying amount of the asset. Government grants received as compensation for costs are accrued and recognized in the income statement as a cost reduction during the same period as the costs. If the government grant is neither related to the acquisition of assets nor to compensation for costs, the grant is recognized as other income. For more information about government grants, refer to Notes B2, B4, D1, D2 and D8.

Climate-related risks and opportunities
SCA sees both risks and opportunities linked to a changed climate and measures to counteract or adapt operations to expected climate change. Identifying and managing these risks are integrated into the Company's risk process. SCA has analyzed climate-related risks and opportunities using two alternative scenarios, one scenario with low future emissions and one scenario with high future emissions, refer to the risk section in the Board of Directors' Report. Negative impacts could be increased costs or reduced opportunities to conduct forestry and thus lower harvesting rates. Positive opportunities could be greater demand for renewable materials and renewable energy.

The expected physical climate change is deemed to have the greatest impact on the development of the forest holding and conditions for forestry and is currently considered to be related to more frequent extreme weather conditions, increased risk of infestation and a longer growing season. Transition risks, such as political decisions, could entail both opportunities and risks for the Company. Positive or negative impacts were identified in the following areas and are discussed under each note:
Measurement of assets, see Notes D1 and D2.
Measurement of forest assets, see Note D3.
Access to and terms of financing, see Note E4.

A2 Application of financial measures not included in IFRS

The Annual Report refers to a number non-IFRS performance measures used to assist investors and company management to analyze the company's operations. A description of the performance measures used as a complement to the financial information reported according to IFRS is presented below.

Calculation of financial measures not included in IFRS

PERFORMANCE MEASURES	**Various types of performance measures and margin measures expressed as a percentage of net sales**	
Key figure	**Description**	**Application of the measure**
Revenue	Total of net sales and other operating income.	The measure is a complement to the follow up of net sales and is monitored by management in the Renewable Energy business area.
EBITDA	Profit before depreciation, amortization, impairment, financial items and taxes.	This measure is a complement to operating profit, as it shows the profit from operations excluding effects of depreciation, amortization, impairment, financial items and tax. See Note B1.
EBITDA excluding the revaluation of biological assets	Profit before depreciation, amortization, impairment, financial items and taxes excluding the revaluation of biological assets.	This measure is a complement to EBITDA, as it shows the profit from operations without the revaluation of biological assets.
EBITDA margin	EBITDA as a percentage of net sales for the year. The definition is used at Group and segment level except for Renewable Energy where the EBITDA margin is calculated as a percentage of revenue.	This measure is a complement to operating margin. Management uses the measure as one of the most important in controlling the Company's business areas. See Note B1.
Operating margin	Operating profit as a percentage of net sales for the year. The definition is used at Group and segment level for all segments except for Renewable Energy where the operating margin is calculated as operating profit as a percentage of revenue.	Operating margin describes what percentage of net sales or revenue remains as operating profit. See Note B1.

CAPITAL MEASURES	**Show how capital is utilized and the Company's financial strength**	
Key figure	**Description**	**Application of the measure**
Capital employed	Calculated as the balance sheet's total assets excluding financial assets and pension assets, less non-interest-bearing liabilities (deferred and current tax liabilities, other non-current and current provisions, other non-current and current liabilities, and trade payables).	The management follows this measure to reduce the capital tied up in operations that is financed by owners and creditors.

SEKm	**Note**	**2025**	**2024**
CAPITAL EMPLOYED			
Total assets		146,457	149,263
Financial assets	C5, E2	–3,998	–4,023
Long term, non-interest-bearing liabilities	B5, D7, D8	–24,172	–24,406
Short term, non-interest-bearing liabilities	B5, D7, D8, D9	–5,827	–5,914
Capital employed		**112,460**	**114,920**
CAPITAL EMPLOYED			
Forest assets	D3	103,766	107,329
Intangible and other tangible fixed assets	D1, D2, D4	26,694	26,837
Working capital		5,344	4,768
Current tax and deferred tax	B5	–24,002	–24,267
Other capital employed		658	253
Capital employed		**112,460**	**114,920**

Key figure	Description	Application of the measure
Working capital	Working capital is calculated as current operating receivables (inventories, trade receivables and other current receivables) less current operating liabilities (trade payables excluding those that concern strategic capital expenditures, other current liabilities as well as other current provisions).	The management monitors this measure to reduce capital tied up in the balance sheet from the Company's operations.

SEKm	Note	2025	2024
WORKING CAPITAL			
Inventories	D5	6,555	5,730
Trade receivables	E3	3,196	3,279
Other current receivables	D6	970	803
Trade payables	D9	–4,375	–3,774
Other current liabilities	D7	–998	–1,270
Other current provisions	D8	–4	-
Working capital		**5,344**	**4,768**

Key figure	Description	Application of the measure
Net debt	Calculated as non-current and current financial liabilities and provisions for pensions with deductions for financial assets (surplus in funded pension plans, financial assets and cash and cash equivalents).	Net debt is considered to be the most relevant measure to describe the Company's total debt financing in the short and long term, short and long term financial liabilities are therefore included as well as short and long term financial assets. The key figure is continuously monitored by the management.
Debt/equity ratio	Net debt in relation to equity.	Shows financial risk and is used by management to monitor the level of the Company's indebtedness.
Net debt/EBITDA	Net debt in relation to 12-month rolling (LTM) EBITDA. In the Annual Report, LTM is the fiscal year.	Used to assess SCA's ability to pay off debt with cash flows generated from operations. The measure provides an overall picture of SCA's financial structure and helps the Company to ensure a sustainable level of debt.

SEKm	Note	2025	2024
NET DEBT			
Surplus in funded pension plans	C5	3,168	2,448
Non-current financial assets	E2	158	155
Current financial assets	E2	82	92
Cash and cash equivalents	E2	590	1,328
Financial assets		**3,998**	**4,023**
Non-current financial liabilities	E4	12,620	11,519
Provisions for pensions	C5	300	325
Current financial liabilities	E4	2,017	3,064
Financial liabilities		**14,937**	**14,908**
Net debt		**10,939**	**10,885**
Equity	E8	**101,521**	**104,035**
Debt/equity ratio, %		**10.8**	**10.5**
EBITDA	B1	**6,564**	**7,143**
Net debt/EBITDA		**1.7x**	**1.5x**

RETURN MEASURES	Various types of return measures expressed as a percentage of capital employed	
Key figure	**Description**	**Application of the measure**
Return on capital employed, ROCE	Return on capital employed is calculated as 12-month rolling (LTM) operating profit as a percentage of average capital employed for the five most recent quarters. In the Annual Report, LTM is the fiscal year. The corresponding key figure for a single quarter is calculated as operating profit for the quarter multiplied by four as a percentage of average capital employed for the two most recent quarters. One-off items are excluded. Industrial segments only use industrial ROCE.	Used to measure return on capital tied up in operations.
Return on capital employed, industrial ROCE	This measure applies to the Wood, Pulp and Containerboard segments. Calculated in the same manner as the Group's Return on capital employed, excluding strategic capital expenditures in industry that have not begun operating. When calculating the Group measure, operating profit and capital employed are excluded from the Forest operating segment, operations in the wind power area and a share of Other operations.	Used to measure the underlying industrial return on capital employed adjusted for the ongoing strategic capital expenditures.
One-off items	Material transactions lacking a clear connection to the ordinary operations, and which are not expected to occur regularly.	This measure is excluded in the calculation of return on capital employed.

Return on capital employed, ROCE

SEKm	Note	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Group
2025 fiscal year								
Operating profit/loss	B1	**3,522**	**564**	**80**	**318**	**368**	**–420**	**4,432**
Average capital employed:		**87,637**	**3,633**	**9,290**	**10,715**	**3,115**	**838**	**115,228**
pertaining to industrial		-	3,633	9,290	10,715	1,034	841	25,513
pertaining to other		87,637	-	-	-	1,852	-	89,489
pertaining to ongoing strategic capital expenditures		-	-	-	-	229	–3	226
Return on capital employed, ROCE, %		**4.0**	**-**	**-**	**-**	**11.8**	**-**	**3.8**
Return on capital employed, industrial ROCE, %		**-**	**15.5**	**0.9**	**3.0**	**-**	**-**	**4.4**

SEKm	Note	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Group
2024 fiscal year								
Operating profit/loss	B1	**3,282**	**642**	**997**	**142**	**377**	**–413**	**5,027**
Average capital employed:		**88,187**	**3,665**	**9,638**	**10,966**	**2,204**	**793**	**115,453**
pertaining to industrial		-	3,665	9,638	10,966	840	796	25,905
pertaining to other		88,187	-	-	-	1,060	-	89,247
pertaining to ongoing strategic capital expenditures		-	-	-	0	304	–3	301
Return on capital employed, ROCE, %		**3.7**	**-**	**-**	**-**	**17.1**	**-**	**4.4**
Return on capital employed, industrial ROCE, %		**-**	**17.5**	**10.3**	**1.3**	**-**	**-**	**7.3**

CASH FLOW PERFORMANCE MEASURES	Various performance measures and costs that have impacted the Company's cash flow	
Key figure	**Description**	**Application of the measure**
Cash flow from current operations	Operating cash flow less net financial items and tax payments and taking into account other financial cash flow.	This measure illustrates the cash flow generated by operations that potentially can be used for strategic initiatives, such as capital expenditures or acquisitions.
Operating cash surplus	EBITDA with deductions for capital gains and losses from tangible and intangible assets, the reversal of the result of participations in associated companies and joint ventures (JV) and the result of the revaluation of biological assets.	This measure shows cash flow generated by the income statement when calculating operating cash flow.
Strategic capital expenditures in non-current assets	Strategic capital expenditures increase the Company's future cash flow through acquisitions of companies, capital expenditures to expand facilities, or new technologies that increase competitiveness.	Shows the size of the capital expenditures that are made in expansion in production capacity and other growth measures.
Operating cash flow	Operating cash flow comprises the sum of operating cash surplus and change in working capital, with deductions for current net investments in non-current assets and restructuring costs. Change in liabilities regarding restructuring costs may include personnel costs in connection with structural changes to the Company's operations.	The management controls the business areas using this measure that shows the combined cash flow from operating activities.
Current capital expenditures, net	Current capital expenditures, net are made to maintain competitiveness, and include maintenance, rationalization and replacement measures or investments of an environmental nature with deductions for compensation from divested non-current assets. Operating cash flow also includes the effects from additional, remeasured and prematurely terminated right-of-use assets associated with leases.	Shows the size of the capital expenditures required to maintain existing capacity in operations.

Consolidated operating cash flow statement

SEKm	Note	2025	2024
EBITDA (IS)		6,564	7,143
Change value in biological assets		–1,782	–1,840
Other non-cash items		–19	–56
Operating cash surplus		**4,763**	**5,247**
Change in working capital		–590	–441
Current capital expenditures, net		–1,309	–922
Current capital expenditures, net, leases		–89	–187
Other operating cash flow		303	–510
Operating cash flow		**3,078**	**3,187**
Financial items		–364	–510
Tax paid and received	B5	–197	–293
Other		3	0
Cash flow from current operations		**2,520**	**2,384**

B Sales and earnings

B1 Segment reporting and revenue from contracts with customers

§ ACCOUNTING PRINCIPLES

Segments
Segments are recognized in accordance with IFRS 8 Operating Segments in a manner that complies with the internal reporting submitted to the chief operating decision maker, which in SCA's case is the Company's President and CEO. The President and CEO is responsible for allocating resources and assessing the result of the operating segments. The Executive Management supports the President and CEO in his work, see the section Corporate governance in the Board of Directors' Report.

A description of the five operating segments can be found on pages 40–65.

Revenue from contracts with customers
SCA applies IFRS 15 Revenue from contracts with customers. SCA's contracts with customers are mainly framework agreements without established minimum volumes, which means a binding agreement in accordance with the criteria specified in IFRS 15 arises when the customer makes a call-off order. SCA's performance obligation in the contracts consists of providing the goods specified in the contracts.

Performance obligations consist of sales of goods, which are satisfied at a given point in time. SCA has assessed that control is transferred to the customer at the same time as the risk for the goods is transferred, in accordance with the Incoterms applicable in the contract. SCA applies the Delivered At Place (DAP) terms for 47% (52) of sales revenues, meaning risk is transferred when the goods are made available to the customer at the agreed destination. For other freight terms applied, the risk is transferred when the goods are loaded on to the vessel or other freight vehicles. Payment terms follow industry practice and vary by sector.

The transaction price primarily consists of a fixed price per sold quantity. Variable parts, such as cash discounts, volume discounts and delivery bonuses, reduce the transaction price. The transaction price is estimated at the value that is expected to accrue to SCA when entering into the agreement. The transaction price is continuously updated if the circumstances that form the basis of the estimate change.

! KEY ASSESSMENTS AND ASSUMPTIONS

SCA has determined that revenue recognized as net sales and other operating income pertaining to goods and services essentially constitute revenue from contracts with customers. Net sales comprise the sales of goods, including revenue from own wind power. Other operating income comprises the sales of goods and services.

Intra-Group deliveries
Revenues, expenses and results for the various operating segments were affected by intra-Group deliveries. Internal prices are market-based.

Operating segments
SCA recognizes five operating segments in accordance with IFRS 8.

The Forest segment includes the supply of raw material to SCA's industries as well as management and harvesting on SCA-owned forest land, which comprises 2.7 million hectares in northern Sweden and the Baltic region. The segment also includes sourcing timber from other forest owners and transporting the timber to SCA's industries.

The Wood segment includes the solid-wood business with five sawmills in northern Sweden and wood processing and distribution to the building materials trade in Sweden and France.

The Pulp segment encompasses the production and sale of bleached softwood kraft pulp (NBSK) and chemi-thermomechanical pulp (CTMP), which are produced at the Östrand pulp mill and Ortviken site. The Östrand pulp mill is also a net producer of green energy and biochemicals.

The Containerboard segment manufactures and sells packaging paper (kraftliner), with production at the integrated paper mills in Obbola and Munksund.

The Renewable Energy segment encompasses production and sales of refined and unrefined solid biofuels, as well as liquid biofuels. The segment also includes development and revenue linked to the wind power operations and sales of tall oil from industrial operations for fuel production.

Customers
SCA's ten largest customers account for 30% (30) of the Company's sales. Revenue from the largest customer amounts to SEK 2,261m (2,246), which represents 11% (11) of net sales, and is reported in the Containerboard segment.

TABLE B1:1

Group by country

	Net sales – sold by[1]				Average number of employees						Non-current assets[2]	
	2025		2024			Whereof %			Whereof %		2025	2024
	SEKm	%	SEKm	%	2025	men	women	2024	men	women	SEKm	SEKm
Sweden	19,155	94	19,110	95	3,436	75	25	3,386	76	24	126,462	129,893
United Kingdom	512	3	490	2	8	62	38	8	62	38	48	64
China (Hong Kong)	539	3	463	2	7	54	46	7	57	43	1	0
Latvia	91	0	118	1	22	40	60	21	40	60	2,636	2,775
France	62	0	-	-	1	100	-	-	-	-	-	-
Estonia	59	0	42	0	10	47	53	9	57	43	887	969
Lithuania	9	0	9	0	1	67	33	2	50	50	420	450
Germany	-	-	-	-	22	58	42	22	58	42	7	15
Netherlands	-	-	-	-	1	100	-	1	100	-	-	-
Total Group	**20,427**	**100**	**20,232**	**100**	**3,508**	**75**	**25**	**3,456**	**75**	**25**	**130,461**	**134,166**

[1] "Sold by" means net sales from external customers based on where SCA's selling subsidiary has its registered office.
[2] Non-current assets comprise other intangible assets, buildings, land, machinery and equipment, forest assets and right-of-use assets.

Sales by region

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Eliminations	Group
2025							
Sweden	9,807	2,144	1,192	502	9	–9,804	3,850
Germany	-	93	554	1,468	-		2,115
US	-	322	1,328	318	-		1,968
United Kingdom	-	519	276	1,064	-		1,859
Rest of Europe	155	1,531	2,568	2,964	-		7,218
Asia	-	986	925	136	-		2,047
Other	-	530	300	540	-		1,370
Total	**9,962**	**6,125**	**7,143**	**6,992**	**9**	**–9,804**	**20,427**

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Eliminations	Group
2024							
Sweden	8,665	1,994	1,250	563	32	–8,661	3,843
Germany	-	72	682	1,504	-		2,258
US	-	368	1,469	226	-		2,063
United Kingdom	-	501	286	1,045	-		1,832
Rest of Europe	165	1,280	2,955	2,628	-		7,028
Asia	-	908	1,122	138	-		2,168
Other	-	416	294	330	-		1,040
Total	**8,830**	**5,539**	**8,058**	**6,434**	**32**	**–8,661**	**20,232**

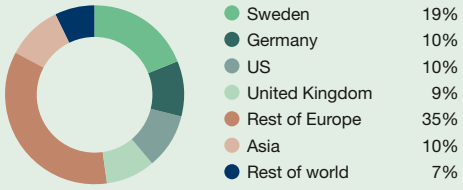
TABLE B1:2

Group by country

	Net sales – sold to[1]			
	2025		2024	
	SEKm	%	SEKm	%
Sweden	**3,850**	**19**	**3,843**	**19**
Germany	**2,115**	**10**	**2,258**	**11**
US	**1,968**	**10**	**2,063**	**10**
United Kingdom	**1,859**	**9**	**1,832**	**9**
Rest of Europe				
Norway	1,129	6	936	5
France	1,036	5	1,020	5
Spain	881	4	1,009	5
Italy	869	4	810	4
Netherlands	497	2	484	2
Denmark	364	2	379	2
Poland	327	2	273	1
Belgium	285	1	334	2
Finland	263	1	306	2
Austria	207	1	173	1
Turkey	203	1	223	1
Other	1,157	6	1,081	5
Total, rest of Europe	**7,218**	**35**	**7,028**	**35**
Asia				
China	792	4	889	5
Japan	454	2	490	2
India	274	1	352	2
Other	527	3	437	2
Total, Asia	**2,047**	**10**	**2,168**	**11**
Rest of world				
Morocco	567	3	436	2
Other	803	4	604	3
Total, rest of world	**1,370**	**7**	**1,040**	**5**
Total Group	**20,427**	**100**	**20,232**	**100**

[1] Net sales recognized as "Sold to" compiles sales to countries where SCA has its customers.

Net sales by geography in 2025



Reporting by operating segment

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Eliminations	Group
2025 fiscal year								
External sales	158	6,125	7,143	6,992	9	-		20,427
Internal sales	9,804	-	-	-	-	-	–9,804	0
Net sales (IS) (B1:1, B1:2)	**9,962**	**6,125**	**7,143**	**6,992**	**9**	**-**	**–9,804**	**20,427**
Other operating income	532	1,402	736	545	2,042	14	–2,251	3,020
Revenue	**10,494**	**7,527**	**7,879**	**7,537**	**2,051**	**14**	**–12,055**	**23,447**
Operating expenses	–6,706	–6,646	–7,127	–6,426	–1,629	–399	12,055	–16,878
Result from participations in associated companies and JVs	-	–25	0	-	20	-		–5
EBITDA	**3,788**	**856**	**752**	**1,111**	**442**	**–385**		**6,564**
Depreciation, amortization and impairment	–266	–292	–672	–793	–74	–35		–2,132
Operating profit/loss	**3,522**	**564**	**80**	**318**	**368**	**–420**		**4,432**
Other disclosures								
EBITDA margin, %[1)]	38.0	14.0	10.5	15.9	21.5			32.1
Operating margin, %[1)]	35.4	9.2	1.1	4.5	17.9			21.7
Capital employed	85,144	3,468	8,953	10,514	3,461	920		112,460
of which participations in associated companies and JVs	-	*269*	*0*	-	*877*	-		*1,146*
Operating cash flow								
Operating cash surplus	1,987	840	745	1,109	422	–340		4,763
Change in working capital	33	–47	9	–517	–54	–14		–590
Current capital expenditures, net	–403	–172	–268	–271	–58	–137		–1,309
Current capital expenditures, net, leases	–40	–11	–20	–12	–3	–3		–89
Other	1	47	132	113	21	–11		303
Operating cash flow	**1,578**	**657**	**598**	**422**	**328**	**–505**		**3,078**
Strategic capital expenditures in non-current assets	–34	0	–165	–58	–1,016	-		–1,273

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Eliminations	Group
2024 fiscal year								
External sales	169	5,539	8,058	6,434	32	-		20,232
Internal sales	8,661	0	-	-	-	-	–8,661	-
Net sales (IS) (B1:1, B1:2)	**8,830**	**5,539**	**8,058**	**6,434**	**32**	**-**	**–8,661**	**20,232**
Other operating income	491	1,316	992	560	2,018	35	–2,017	3,395
Revenue	**9,321**	**6,855**	**9,050**	**6,994**	**2,050**	**35**	**–10,678**	**23,627**
Operating expenses	–5,790	–5,893	–7,370	–6,062	–1,488	–413	10,678	–16,338
Result from participations in associated companies and JVs	-	–35	-	-	–111	-		–146
EBITDA	**3,531**	**927**	**1,680**	**932**	**451**	**–378**		**7,143**
Depreciation, amortization and impairment	–249	–285	–683	–790	–74	–35		–2,116
Operating profit/loss	**3,282**	**642**	**997**	**142**	**377**	**–413**		**5,027**
Other disclosures								
EBITDA margin, %[1)]	40.0	16.7	20.8	14.5	22.0			35.3
Operating margin, %[1)]	37.2	11.6	12.4	2.2	18.4			24.8
Capital employed	88,126	3,651	9,270	10,626	2,399	848		114,920
of which participations in associated companies and JVs	-	*369*	*1*	-	*786*	-		*1,156*
Operating cash flow								
Operating cash surplus	1,479	922	1,703	932	561	–350		5,247
Change in working capital	–369	–198	214	–41	–37	–10		–441
Current capital expenditures, net	–51	–167	–277	–291	–20	–116		–922
Current capital expenditures, net, leases	–91	–16	–10	–61	–4	–5		–187
Other	0	–62	–245	–173	–19	–11		–510
Operating cash flow	**968**	**479**	**1,385**	**366**	**481**	**–492**		**3,187**
Strategic capital expenditures in non-current assets	–215	-	–28	–81	–365	-		–689

[1)] EBITDA and operating profit as a percentage of net sales, except for Renewable Energy where it is EBITDA and operating profit as a percentage of revenue.

B2 Other operating income

Specification of other operating income

SEKm	2025	2024
By-products and energy	1,769	1,824
Transportation	741	847
Silvicultural services and products	201	239
Leases	134	161
Other	175	324
Total (IS)	**3,020**	**3,395**

Other disclosures
Government grants received increased other operating income by SEK 11m (1).

B3 Raw materials and consumables

Specification of raw materials and consumables

SEKm	2025	2024
Timber and woodchips	–2,816	–2,259
Chemicals	–1,337	–1,347
Other raw materials and consumables	–1,152	–1,246
Goods purchased for resale	–305	–229
Total (IS)	**–5,610**	**–5,081**

B4 Other operating expenses

Specification of other operating expenses

SEKm	2025	2024
Transportation	–4,303	–4,392
Forest management expenses	–1,649	–1,606
Repairs and maintenance	–1,149	–1,078
Energy	–558	–822
IT and telephony	–537	–507
Production-related operating costs	–480	–363
Other	–1,649	–1,653
Total (IS)	**–10,325**	**–10,421**

Other disclosures
Government grants received have reduced operating expenses by SEK 17m (22), excluding the effects from the European system for emission allowances described under Notes D1 and D8. Costs for research and development amounted to SEK 48m (48) in 2025.

Specification of auditing expenses

SEKm	2025	2024
EY		
Audit assignments	–15	–13
Auditing activities other than the audit assignment	–1	–5
Total EY	**–16**	**–18**
Other auditors		
Audit assignments	–1	–1
Total other auditors	**–1**	**–1**
Total	**–17**	**–19**

Audit assignments refer to statutory audits of the annual report accounting records, the administration of the board of directors and the CEO, and audits carried out in accordance with an agreement or contract. This includes other assignments that the Company's auditor is responsible to perform, as well as advisory services or other assistance caused by observations made during such review or when performing such other assignments.

B5 Taxes

§ ACCOUNTING PRINCIPLES

The Group's tax expense comprises current tax and deferred tax.

Current tax includes adjustments relating to recognized current tax from other periods. Interest attributable to income tax is also recognized as income tax.

SCA does not recognize tax that may arise on future dividends of the retained earnings of foreign subsidiaries. Any such effects (withholding tax and other deferred tax on profit-taking within the Group) are recognized when SCA can no longer control the reversal of such differences or when, for other reasons, it is probable that a reversal can take place in the foreseeable future.

Tax assets and liabilities are recognized net when SCA has a legal right to offset.

The Group is subject to the OECD's model rules for Pillar 2, and applies the exemption in IAS 12 for recognition and disclosure of deferred tax assets and liabilities pertaining to income tax under Pillar 2.

! KEY ASSESSMENTS AND ASSUMPTIONS

The Group conducts operations in several countries, which increases the complexity when determining deferred tax assets and liabilities. This requires that assessments and assumptions are made to determine the value of the deferred tax asset and deferred tax liability on the balance sheet date. Future changes to tax legislation and trends in the business climate will impact the Company's future taxable profits and thus its possibility to utilize deferred tax assets on loss carryforwards and other temporary differences. A changed assessment of the probability of future taxable profits could have a positive or negative effect.

As of December 31, 2025, SEK 60m (35) was recognized as deferred tax assets based on best assessment of future taxable profits in the Group. At year-end 2025, the Group also had tax loss carryforwards of SEK 24m (24), for which deferred tax asset had not been recognized. In SCA's assessment, at the end of 2025 there were no material uncertain tax items in the financial statements which could result in a significant adjustment of the reported values during forthcoming fiscal years.

Key assessments and assumptions are also made regarding recognition of provisions and contingent liabilities relating to tax risks.

TABLE B5:1

Tax expense

Tax expense (+), tax income (–)

	2025		2024	
SEKm	**SEKm**	**%[1]**	**SEKm**	**%[1]**
Current tax				
Income tax for the period	202	5.1	343	7.6
Adjustments for other periods	–13	–0.3	–1	0.0
Current tax expense	**189**	**4.8**	**342**	**7.6**
Deferred tax				
Changes in temporary differences	612	15.3	535	11.8
Adjustments for other periods	–7	–0.2	5	0.1
Deferred tax expense (B5:3)	**605**	**15.1**	**540**	**11.9**
Tax expense (IS)	**794**	**19.9**	**882**	**19.5**

[1] Percentage of profit before tax.

Recognized and expected tax expense

	2025		2024	
	SEKm	**%**	**SEKm**	**%**
Profit before tax (IS)	3,999		4,521	
Tax expense (IS)	794	19.9	882	19.5
Expected tax expense	811	20.3	888	19.6
Difference	**–17**	**–0.4**	**–6**	**–0.1**
The difference is due to:				
Permanent differences between accounting and taxable result				
Other permanent effects[1]	–6	–0.1	–10	–0.2
Taxes related to other periods[2]	–11	–0.3	4	0.1
Total	**–17**	**–0.4**	**–6**	**–0.1**

[1] Other permanent effects relate primarily to non-taxable earnings from associated companies and non-taxable income relating to tonnage taxation.

[2] Taxes attributable to other periods in 2025 primarily relate to tax related to a reassessment of taxed earnings from previous years. Taxes attributable to other periods in 2024 relate, for the most part, to adjustment of deferred tax liability in respect of buildings and land.

Pillar 2 legislation entered into force on January 1, 2024. Under the legislation, the Group is required to pay top-up tax for the difference between the effective tax rate calculated using the Global Anti-Base Erosion (GloBE) rules for each jurisdiction and the minimum tax rate of 15%.

The Group recognizes a current tax expense in the income statement for the year relating to the effects of specific adjustments in accordance with the legislation under Pillar 2. The amount is not material.

Current tax liability

Current tax liability (+), current tax asset (–)

SEKm	**2025**	**2024**
Value January 1	**–46**	**–95**
Current tax expense (B5:1)	189	342
Paid tax (B5:2)	–197	–293
Translation differences	0	0
Value December 31	**–54**	**–46**
of which current tax liability (BS)	*4*	*10*
of which current tax asset (BS)	*–58*	*–56*

TABLE B5:2

Paid tax

Tax payments by SCA entities by country, paid tax (–)

SEKm	**2025**	**2024**
France	–5	0
China (Hong Kong)	0	–2
United Kingdom	–4	–4
Sweden	–179	–281
Germany	–9	–6
Other	0	0
Total (CF)	**–197**	**–293**

TABLE B5:3

Deferred tax liability 2025

Deferred tax liability (+), deferred tax asset (–)

SEKm	**Value January 1**	**Deferred tax expense**	**Other changes[1]**	**Value December 31**
Other tangible fixed assets	2,789	201	0	2,990
Forest assets	21,155	385	–1,072	20,468
Financial fixed assets	443	23	118	584
Current assets	–652	153	8	–491
Provisions	–30	–20	36	–14
Liabilities	640	–151	27	516
Future tax credits and loss carryforwards	–5	5	0	0
Other	–27	9	20	2
Total[2]	**24,313**	**605**	**–863**	**24,055**
of which deferred tax liability[3] (BS)				*24,115*
of which deferred tax asset[3] (BS)				*–60*

[1] Other changes include deferred tax recognized directly in other comprehensive income according to IAS 19 of SEK 153m, IFRS 9 hedge accounting derivatives of SEK 69m and deferred tax attributable to the change in fair value of land assets of SEK –1,072m.

[2] Deferred tax assets on leases in accordance with IFRS 16 amount to SEK –10m (–11) net, of which SEK –107m (–133) in deferred tax assets and SEK 97m (122) in deferred tax liabilities.

[3] The corresponding amounts for 2024 were deferred tax liabilities of SEK 24,348m and deferred tax assets of SEK –35m.

Loss carryforwards

Future tax credits and loss carryforwards for which deferred tax assets were recognized have been reported at the tax amount of SEK 0m on the line future tax credits and tax loss carryforwards in table B5:3. Loss carryforwards for which no deferred tax assets were recognized amounted to SEK 24m (24), gross, at December 31, 2025, see table B5:4. The tax value of uncapitalized loss carryforwards amounted to SEK 5m (5). SCA considers it unlikely that loss carryforwards for which no deferred tax was recognized will be offset against future profits as these largely consist of ringfenced capital losses with a limited right of deduction against future capital gains. The useful life of these loss carryforwards are distributed as shown in table B5:4.

TABLE B5:4

Loss carryforwards, gross, for which no deferred tax assets were recognized as per December 31

SEKm	**2025**	**2024**
Year of maturity		
Indefinite useful life	24	24
Total	**24**	**24**

C Employees

C1 Personnel costs

Personnel costs

SEKm	Note	2025	2024
Salaries and remuneration		–1,975	–1,954
of which Executive Management		*–41*	*–63*
of which Board	C4	*–9*	*–9*
Pension costs		–249	–261
of which defined benefit pension costs		*–42*	*–16*
of which other pension costs		*–207*	*–245*
Other social security costs		–608	–608
Other personnel costs		36	42
Total personnel costs (IS)		**–2,796**	**–2,781**

C2 Personnel data

Average number of employees

	2025	2024
Average number of employees	3,508	3,456
of whom men	*2,628*	*2,607*
of whom women	*880*	*849*

C3 Remuneration of senior executives

Guidelines for remuneration of senior executives
These guidelines were adopted by the 2022 Annual General Meeting (AGM) and shall thereafter apply to remuneration to Board members, the President and CEO, vice President as well as other members of the senior management. The guidelines do not apply to remuneration resolved by the general meeting.

Principles for remuneration
A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit, motivate and retain qualified personnel through competitive remuneration in line with market levels. To this end, the total remuneration is to correspond to market practice and be competitive on the senior manager's field of profession, as well as being linked to the manager's responsibility, authority and performance. Remuneration may consist of fixed salary, variable salary, other benefits and pension, jointly referred to as total remuneration. The Company's business strategy is available on pages 12–21.

Variable remuneration
Variable remuneration shall aim at promoting the Company's business strategy and long-term interests, including its sustainability. Variable remuneration shall be based on the outcome in relation to short-term and long-term goals, respectively, comprising financial goals, goals that contribute to such (including sustainability targets), or to the value development of the Company's Class B share. It shall be linked to the fixed annual salary and be maximized. Variable remuneration is to be paid as cash remuneration and shall not qualify for pension benefits.

Short-term performance goals may include, for example, organic growth, profit, cash flow, capital efficiency, return, health-safety-environment, individual targets, or a combination thereof. Remuneration that may be paid under such short-term performance goals shall not exceed 100% of the fixed annual salary.

Long-term performance goals shall be linked to the value development of the Company's Class B share and the Company's increased climate benefit. Remuneration that may be paid under such long-term performance goals, including performance period, maximum amount and other main conditions, shall therefore be approved by the general meeting.

Total variable remuneration related to short-term performance goals and long-term performance goals in accordance with the description above shall not exceed 100% of the fixed annual salary.

Additionally, variable remuneration in the form of project bonus may be awarded in individual cases. The performance goals shall, in such case, be linked to the project (e.g. Capex or production volume) in order to promote the completion of the project. The achievement of goals is measured, and bonus may be paid, after one or several years. Such project bonus shall not exceed 40% of the total fixed annual salary during the relevant period.

The Company shall be able to refrain from paying variable remuneration when required and possible under applicable law, if there is special cause and withholding the payment is necessary to serve the Company's long-term interests, including its sustainability. The Company shall also have the possibility to, under applicable law, reclaim variable remuneration paid on incorrect grounds.

Pension and other benefits
Pension benefits shall solely contain defined contribution pension benefits, unless the manager is subject to defined benefit pension under applicable collective agreement provisions. The planned retirement age is 65 years. The defined contribution pension shall amount to a maximum of 50% of the fixed annual salary.

Other benefits may include, for example, health insurance, Company car and wellness allowance.

In the event of termination of employment, a notice period of no longer than two years shall apply if termination is initiated by the Company, or no longer than one year, if termination is initiated by the senior executive. There will be no severance pay.

Decision-making process and reporting
Issues regarding remuneration to senior executives shall be dealt with by the Board of Directors' Remuneration Committee and, in case of the President and CEO, be decided by the Board of Directors. The Remuneration Committee's tasks shall also include preparing the Board of Directors' decision to propose guidelines for remuneration of senior executives, as well as monitoring and evaluating the application of these. The senior executives shall not participate in the Board of Directors' nor the Remuneration Committee's discussions of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

In the preparation of the remuneration guidelines, salary and employment conditions for the Company's other employees in Sweden shall be taken into account, including information on the employees' total income, the components of the remuneration and increase and growth rate over time, as well as the Company's gender equality policy.

The Board of Directors shall prepare a remuneration report.

Application of and deviation from the guidelines
The Board of Directors may temporarily decide to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the Company's long-term interests, including its sustainability.

The guidelines do not take precedence over mandatory provisions under applicable employment regulation or collective agreements. In addition, they are not applicable to agreements already signed.

Application of guidelines for remuneration of senior executives 2025
In 2025, the Company has complied with the applicable remuneration guidelines as adopted by the Annual General Meeting. No deviations were made from the guidelines, nor were any deviations made from the decision-making process with regard to the determination of remuneration stated in the guidelines. The auditor statement on the Company's compliance with the guidelines is available on www.sca.com. There were no demands to repay remuneration.

Fixed salary
The fixed salary has been linked to the senior executive's responsibility and authority. Salaries have been decided on an individual basis to a level, using an overall assessment of the executive's total remuneration, that was deemed competitive and corresponds to market practice in the executive's field of profession.

Variable remuneration
The President and CEO and other senior executives were part of SCA's program for variable remuneration where remuneration is paid according to SCA's provisions. The total variable remuneration could, for the President and CEO, amount to a maximum of 100% of fixed salary while the variable remuneration for other senior executives could amount to a maximum of 80% of fixed salary. Variable remuneration was divided into a short-term and long-term portion.

The short-term variable remuneration (Short Term Incentive, STI) could, for the President and CEO, amount to a maximum of 50% of the fixed salary and for other senior executives to 40% of the fixed salary. The established STI targets in 2025 for the President and CEO and CFO comprised the Group's EBITDA, profit for the period, operating cash flow, return on capital employed for SCA's industrial operations as well as Total Recordable Incidents (TRI rate) in the SCA Group. TRI includes all lost time accidents (LTA), restricted work cases (RWC) and medically treated accidents (MT) (medically treated accidents according to OHSA).

For senior executives with Central Staff functions, the Manager for the support unit Sourcing & Logistics and for the President of Forest, the STI targets comprised the Group's EBITDA, operating cash flow, industrial return on capital employed as well as Total Recordable Incidents (TRI rate) in the SCA Group.

For the Wood, Pulp, Containerboard and Renewable Energy business area presidents, the STI targets in addition to Group-wide targets relate to EBITDA, operating cash flow, and industrial return on capital employed for each segment. For the Renewable Energy President, the return target consisted of return on capital employed for the segment. For the Containerboard and Pulp Presidents, industrial return on capital employed replaced delivery volume for each segment.

The long-term portion (Long Term Incentive, LTI) could, for the President and CEO, amount to a maximum of 50% of fixed salary and for other senior executives to 40% of fixed salary, where all of the net outcome (after tax deductions) is to be used to buy Class B shares in SCA. The acquired shares may then not be sold within three years of the purchase.

In 2025, SCA had three outstanding long term cash-based incentive programs, LTI 2023–2025, LTI 2024–2026 and LTI 2025–2027.

The performance criteria for LTI 2023–2025 comprise a financial target related to the total shareholder return (TSR) of the Company's Class B share during a performance period consisting of the 2023–2025 fiscal years, which was measured as 60% in comparison with a peer group of other companies and as 40% in relation to the OMXS30GI index (the TSR condition), as well as a sustainability target related to increased climate benefit (million tCO_2eq,) during the performance period (the Sustainability condition). The TSR condition was weighted at 90% and the Sustainability condition at 10% when determining the amount of cash remuneration paid. One prerequisite for payment under the TSR condition was that the TSR of the Company's class B share did not fall below the weighted TSR outcome for the peer group and the OMXS30GI index during the performance period. The maximum payment under the TSR condition required that the TSR of the Company's class B share exceeded the weighted TSR outcome for the peer group and OMXS30GI by at least 5 percentage points during the performance period. One prerequisite for payment under the Sustainability condition was that the average annual climate benefit increased during the performance period compared to the average annual climate benefit during the 2020–2022 fiscal years. The maximum payment under the Sustainability condition required that the average annual climate benefit increased by 1.5 million tCO_2 during the performance period compared to the average annual climate benefit during the 2020–2022 fiscal years. If the TSR for the Company's class B share and climate benefit, respectively, was between the minimum and maximum levels during the performance period, payment would be made on a linear basis. The evaluation period for the program covered the 2023–2025 fiscal years. Payment of cash remuneration under the program can therefore not be made until 2026.

The performance criteria for LTI 2024–2026 and LTI 2025–2027 comprise a financial target related to the total shareholder return (TSR) of the Company's Class B share during a performance period comprising the 2024–2026 (LTI 2024–2026) and 2025–2027 (LTI 2025–2027) fiscal years, respectively, which shall be measured as 60% in comparison with a peer group of other companies and as 40% in relation to the OMXS30GI index (the TSR condition), as well as a sustainability target related to SCA's climate benefit during the 2026 fiscal year (LTI 2024–2026) and 2027 (LTI 2025–2027) (million tCO_2eq) (the Sustainability condition). The TSR condition will be weighted 90% and the Sustainability condition 10% when payment of the cash remuneration is decided. One prerequisite for payment under the TSR condition is that the TSR of the Company's class B share does not fall below the weighted TSR outcome for the peer group and the OMXS30GI index during the performance period. The maximum payment under the TSR condition requires that the TSR of the Company's class B share exceeds the weighted TSR outcome for the peer group and the OMXS30GI index by at least 5 percentage points during the performance period. If the TSR for the Company's class B share is between the minimum and maximum levels during the performance period, payment is made on a linear basis. One prerequisite for payment under the Sustainability condition is that SCA's climate benefit during the 2026 fiscal year (LTI 2024–2026) and 2027 (LTI 2025–2027) is at least 10 million tCO_2eq. Maximum payment under the Sustainability condition requires that SCA's climate benefit during the 2026 fiscal year (LTI 2024–2026) and 2027 (LTI 2025–2027) is at least 15 million tCO_2eq. If the climate benefit is between the minimum and maximum levels during the 2026 fiscal year (LTI 2024–2026) and 2027 (LTI 2025–2027), respectively, payment is made on a linear basis.

The evaluation of the program covers the 2024–2026 and 2025–2027 fiscal years, respectively. Payment of cash remuneration under the programs can therefore not be made until 2027 and 2028, respectively.

For the 2023–2025 LTI program, climate benefit is calculated using the model published in 2019, see page 124. For the 2024–2026 and 2025–2027 LTI programs, climate benefit is calculated using the components in ISO 13391, see page 124.

Outcome, variable remuneration
LTI 2023–2025 consisted of targets related to a performance period that ended on December 31, 2025. During the performance period, the Company's B share had a total shareholder return (TSR) of –6.5%, which is 14.1 percentage points lower than the weighted TSR outcome for the peer group and the OMXS30GI index. The average annual climate benefit decreased by 1.5 million tCO_2eq equivalents during the performance period compared to the average annual climate benefit during the 2020, 2021 and 2022 fiscal years. For the President and CEO, STI resulted in 20.0% of the annual maximum STI payment for 2025. For other senior executives, STI resulted in 18.5–33.9% of the annual maximum STI payment for 2025. Payment from LTI 2023–2025 was equivalent to 0% of the maximum outcome, which provided remuneration of 0% for the President and CEO and 0% for other senior executives, respectively. The President and CEO and other senior executives are entitled, as all Swedish white collar employees at SCA, to convert proceeds from variable pay programs into pension. This process is cost neutral for SCA.

Pensions
The senior executives are covered by a defined contribution pension, where the Company annually pays a premium of 40% of the fixed salary to the President and CEO and an annual premium of 30% of the fixed salary to other senior executives. The agreed pension premium for the President and CEO and other senior executives is paid as long as they are employed, though not longer than the month before the month the senior executive reaches the age of 65.

Other benefits
Other benefits pertained to Company cars and any other benefits.

Notice period and severance pay
The agreement with the President and CEO stipulates a period of notice of 24 months if such notice is given by the Company and a period of notice of 6 months if notice is given by the President and CEO. If notice is given by the Company, the President and CEO is obligated to be available to the Company during the notice period if so requested by the Company. If the President and CEO, after written approval from the Company, assumes a new position during the period of notice, unless otherwise agreed, the new salary will be deducted from the salary received during the notice period. The agreement does not contain any stipulations with regard to severance pay.

Other senior executives have a notice period, if such notice is given by the Company, of 12 months, which after five years of service, from their latest employment, increases to 18 months. The executive's notice period toward the Company is 6 months. If requested by the Company, this executive is obligated to be available to the Company during the notice period. Any new salary from other positions will be deducted from the salary received during the notice period. The agreements have no stipulations with regard to severance pay.

Preparation and decision process for remuneration
During the year, the Remuneration Committee submitted recommendations to the Board of Directors regarding the principles for remuneration of Senior executives. The Board discussed the Remuneration Committee's proposal and decided on the basis of the Committee's recommendations. The remuneration of corporate management for the fiscal year was based on the Remuneration Committee's recommendation. Matters of remuneration of the President and CEO were resolved by the Board of Directors. The executives concerned did not participate in remuneration matters pertaining to themselves. When it was deemed necessary, the work of the Remuneration Committee was carried out with the support of external expertise. For information about the composition of the Remuneration Committee, see the section Corporate governance in the Board of Directors' Report.

Current guidelines
The guidelines for determining salaries and other remuneration for senior executives as resolved by the 2022 AGM, apply until the 2026 Annual General Meeting, unless significant changes are made before then.

TABLE C3:1

Remuneration and other benefits in 2025

SEK	Fixed salary[1)]	Variable remuneration[2)]	Other benefits	Total salaries and remuneration
President and CEO[3)]	11,750,000	1,175,000	203,597	13,128,597
Other senior executives (10 persons)[4)]	26,168,260	4,702,823	1,166,613	32,037,696
Total	**37,918,260**	**5,877,823**	**1,370,210**	**45,166,293**

1) Fixed salary consists of salary paid and vacation pay supplement for the period and, where applicable, the value of housing benefits.
2) Variable remuneration covers the 2025 fiscal year but is paid in 2026.
3) The LTI program includes variable remuneration of SEK 0.
4) The LTI program includes variable remuneration of SEK 0, and other one-off bonus on recruitment.

Remuneration and other benefits in 2024

SEK	Fixed salary[1)]	Variable remuneration[2)]	Other benefits	Total salaries and remuneration
President and CEO[3)]	11,300,000	6,712,200	164,101	18,176,301
Other senior executives (10 persons)[4)]	27,178,420	12,305,035	1,364,228	40,847,683
Total	**38,478,420**	**19,017,235**	**1,528,329**	**59,023,984**

1) Fixed salary consists of salary paid and vacation pay supplement for the period and, where applicable, the value of housing benefits.
2) Variable remuneration covers the 2024 fiscal year but is paid in 2025.
3) The LTI program includes variable remuneration of SEK 1,853,200.
4) The LTI program includes variable remuneration of SEK 3,489,793.

The Senior executives category above includes 10 (10) persons, of which 7 (7) are men and 3 (3) are women.

Pension costs 2025[1)]

SEK	
President and CEO[2)]	4,746,299
Other senior executives (10 persons)[2)]	8,196,384
Total	**12,942,683**

1) The pension costs pertain to the costs that affected profit for 2025, excluding pension tax expense.
2) Outstanding pension obligations to all senior executives, including the President and CEO, amounted to SEK 38,317,031 (value as of December 31, 2025). These primarily consist of defined benefit pension plans, including ITP.

Pension costs 2024[1)]

SEK	
President and CEO[2)]	4,644,786
Other senior executives (10 persons)[2)]	8,599,494
Total	**13,244,280**

1) The pension costs pertain to the costs that affected profit for 2024, excluding pension tax expense.
2) Outstanding pension obligations to all senior executives, including the President and CEO, amounted to SEK 38,092,580 (value as of December 31, 2024). These primarily consist of defined benefit pension plans, including ITP.

C4 Remuneration of Board members in the Parent Company

Remuneration to non-executive Board members refers to the established fees approved at the 2025 AGM, for the period until the next Annual General Meeting in March 2026.
No remuneration is paid to the President and CEO and other employees.

	Board fee		Audit Committee fee		Remuneration Committee fee		Total	
SEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Helena Stjernholm	2,220,000	2,145,000	300,000	290,000	150,000	145,000	2,670,000	2,580,000
Åsa Bergman	740,000	715,000	-	-	-	-	740,000	715,000
Lennart Evrell	740,000	715,000	-	-	130,000	125,000	870,000	840,000
Annemarie Gardshol	740,000	715,000	-	-	-	-	740,000	715,000
Carina Håkansson	740,000	715,000	-	-	-	-	740,000	715,000
Martin Lindqvist	740,000	715,000	300,000	290,000	-	-	1,040,000	1,005,000
Anders Sundström	740,000	715,000	-	-	130,000	125,000	870,000	840,000
Barbara Milian Thoralfsson	740,000	715,000	425,000	410,000	-	-	1,165,000	1,125,000
Total	**7,400,000**	**7,150,000**	**1,025,000**	**990,000**	**410,000**	**395,000**	**8,835,000**	**8,535,000**

At the end of the year, SCA's Board consisted of 5 women and 4 men.

C5 Remuneration after completion of employment

§ ACCOUNTING PRINCIPLES

Defined benefit pension plans
The defined benefit obligations are calculated annually by independent actuaries using the Projected Unit Credit Method. Calculation is based on actuarial assumptions. Actuarial assumptions comprise the Company's best assessment of the variables that determine the final cost for providing the benefits. The obligation is measured at the present value of the anticipated future cash flows using a discount rate (refer to Key assessments and assumptions). Actuarial gains and losses (remeasurements) are recognized directly in equity under other comprehensive income in the period in which they arise. The recognized cost for the defined benefit plans includes personnel costs, as well as net interest items. Net interest items comprise the discount rate calculated on the average net pension liability for the period, taking fee and remuneration payments into consideration. The difference between the calculated interest income (discount rate) on the plan assets and SCA's actual return on the plan assets is included in the remeasurement of the defined benefit net liability (net asset) recognized in equity under other comprehensive income.

Funded plans with net assets, meaning plans with assets exceeding obligations, are recognized as a financial non-current asset provided they are not limited by the asset ceiling in IAS 19 Employee Benefits. Other pension plans, which are not fully funded or unfunded, are recognized as provisions for pensions.

In certain countries, pension payments are subject to taxes or fees. In such cases, these are included in the calculation of the obligation for the defined benefit pension plans. These taxes or fees are recognized as an expense in the income statement, except in cases where they are attributable to actuarial gains or losses, in which case they are recognized directly in equity under other comprehensive income, as are the actuarial gains or losses.

! KEY ASSESSMENTS AND ASSUMPTIONS

The calculation of recognized expenses and provisions for defined benefit pension plans, where the size of the future compensation is unknown and payment will occur far in the future, is dependent on assumptions and assessments. The key assessments and assumptions include the discount rate, future salary increases, inflation and life expectancy. SCA determines the discount rate based primarily on AA-rated corporate bonds issued in the currency in which the payments will be made that match the duration of the obligations. If no such corporate bonds are available, government bonds or mortgage bonds are used. Inflation assumptions are based on a combination of central bank targets, implicit market expectations and long-term analyst forecasts. Assumptions regarding salary increases are based on market expectations and market research forecasts. Principal actuarial assumptions are presented in table C5:5. The sensitivity of the recognized provision with respect to key actuarial assumptions is described in table C5:6.

Provisions for pensions and similar obligations

SEKm	2025	2024
Defined benefit obligations (C5:2)	1,269	1,390
Fair value of plan assets (C5:3)	–5,528	–4,702
Effect of asset ceiling (C5:4)	1,391	1,189
Provision for pensions, net (C5:1)	**–2,868**	**–2,123**

Surpluses in funded plans recognized as financial non-current assets amounted to (BS) SEK 3,168m (2,448) on the balance sheet date and provisions for pensions totaled (BS) SEK 300m (325). Defined benefit obligations include obligations in an amount of SEK 126m (130) pertaining to unfunded plans.

SCA has both defined contribution and defined benefit pension plans in a number of subsidiaries. The most significant defined benefit pension plan is the pension plan in Sweden, as described in table C5:1.

TABLE C5:1

Provisions for pensions and similar obligations 2025

	Commitments							
SEKm	Active	Paid-up pension policies	Pensioners	Total	Plan assets, fair value	Effect of asset ceiling	Net	Duration of obligation, years
Country								
Sweden	341	267	376	984	–4,060		–3,076	16
Other	189	45	51	285	–1,468	1,391	208	9
Total	**530**	**312**	**427**	**1,269**	**–5,528**	**1,391**	**–2,868**	

Sweden

The ITP2 plan encompasses employees born before 1979 and is a defined benefit plan that provides retirement pension based on final salary. The ITP2 plan provides pension as a percentage of various salary intervals.

The pension is reduced proportionately if the total period of service is less than 30 years. The ITP2 plan is managed by a foundation, and the Company may compensate itself using any surpluses in the plan assets.

Other

There are a number of minor pension obligations in Germany and Sweden. Some of these plans are funded.

Costs for the period

SEKm	2025	2024
Service cost for the period, after deduction for premiums paid by the employees	–72	–63
Pension tax expense	4	1
Net interest	57	49
Pension costs	**–11**	**–13**

TABLE C5:2

Defined benefit obligations

SEKm	2025	2024
Value January 1	**1,390**	**1,419**
Service cost for the period	72	63
Interest expense	55	53
Pension tax expense	–4	–1
Benefits paid	–64	–66
Pension taxes paid	6	0
Remeasurement: financial assumptions	–35	–44
Remeasurement: experience-based assumptions	–6	11
Pension taxes pertaining to remeasurement	–145	–45
Value December 31	**1,269**	**1,390**

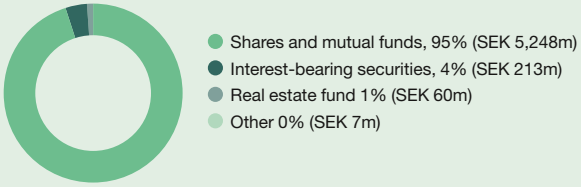
Remeasurements in the defined benefit obligations comprise changes in financial assumptions, such as changes to the discount rate, any changes in demographic assumptions and experience-based deviations. Experience-based deviations include unexpectedly high or low employee turnover.

TABLE C5:3

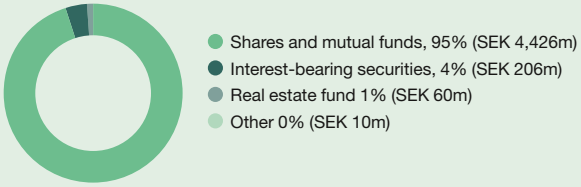
Fair value of plan assets

SEKm	2025	2024
Fair value January 1	**–4,702**	**–4,466**
Interest income	–151	–138
Contributions by the employer	4	0
Benefits paid, excluding settlements	43	53
Return in excess of recognized interest income	–722	–151
Fair value December 31	**–5,528**	**–4,702**

The plan assets are distributed according to the following classes of assets 2025:



The plan assets are distributed according to the following classes of assets 2024:



100% (100) of the plan assets on the balance sheet date were traded on active markets in which market quotations are used for the valuation of assets. As in the preceding year, no financial instruments issued by SCA are included in the fair value of plan assets at December 31, 2025.

TABLE C5:4

Effect of asset ceiling

SEKm	2025	2024
Value January 1	**1,189**	**1,154**
Interest expense	39	36
Other changes to asset ceiling	163	–1
Value December 31	**1,391**	**1,189**

Effect of asset ceiling pertains to funds in a Swedish foundation that can be used for possible future commitments for early retirement for certain categories of employees.

TABLE C5:5

Principal actuarial assumptions

Sweden	2025	2024
Discount rate, %	3.42	3.26
Expected salary increase rate, %	3.10	3.10
Expected inflation, %	1.96	1.91
Life expectancy, men[1)]	23	22
Life expectancy, women[1)]	24	24

[1)] Life expectancy, expressed in years, for an individual currently aged 65.

The discount rate for Germany was 2.00% (3.38).

TABLE C5:6

Sensitivity analysis

SEKm	2025	2024
Discount rate +0.5%	121	133
Price inflation, including salary inflation +0.5%	–133	–145
Longevity +1 year	–62	–64

The sensitivity analysis is calculated by changing one assumption while the others remain constant. An increased obligation is reported with a minus sign.

Other disclosures

Multiemployer plans

SCA has obligations for disability and family pensions for white collar employees in Sweden, secured through insurance with the insurance company Alecta. The consolidation ratio amounts to 167% (162). These benefits are reported as defined contribution plans since there is no basis for allocating the obligations, plan assets and costs to the individual companies covered by the plan.

Budgeted contributions

The budgeted contributions for the Company's defined benefit pension plans for 2026 were calculated at SEK 60m (66). Contributions for multi-employer plans for 2026 were calculated at SEK 3m (3).

D Operating assets and liabilities

D1 Intangible fixed assets

§ ACCOUNTING PRINCIPLES

Other intangible fixed assets
Intangible assets include patents, licenses, expenditure for system development and other similar rights. Acquired assets of this type are recognized at cost and are amortized on a straight-line basis during their anticipated useful life, which varies between 5 and 25 years.

Research expenditure is recognized as an expense when incurred. Identifiable expenditure for development of new products and processes is capitalized to the extent it is expected to provide future economic benefits. In cases in which it is difficult to separate the research phase from the development phase in a project, the entire project is treated as research and expensed immediately.

Capitalized expenditure is amortized on a straight-line basis from the date when the asset is in a location and in the condition required to use it in the manner intended by management.

Impairment testing
When testing for impairment, the assets are grouped in cash-generating units in accordance with SCA's operating segments in Note B1. The calculation of future cash flows is based on the strategic plans adopted by Executive Management for the next three years.

Emission allowances and costs for carbon dioxide emissions
SCA participates in the European system for emission allowances and receives a permit to emit a specific volume of carbon dioxide (CO_2) during a calendar year for each operation where an environmental permit is required. Emission allowances relating to CO_2 emissions are recognized as an intangible asset and as deferred income (liability) when they are received. Emission allowances are received free of charge and measured and recognized at market value as of the date to which the allocation pertains. During the period, the initial liability for emission allowances received is dissolved over the income statement as income in pace with actual CO_2 emissions and meets the cancellation of the intangible asset from allocated emission allowances to the extent the allocation covers actual emissions. If the emission allowances received do not cover actual emissions, a provision is made for the deficit valued at the market value on the balance sheet date. Sales of surplus emission allowances are recognized as income on the delivery date when the dissolution of the corresponding liability and disposal of the corresponding intangible assets occurs.

If the market price of emission allowances on the balance sheet date is less than recognized cost, any surplus emission allowances that are not required to cover emissions made are impaired to the market price. In conjunction with this, the remaining part of the deferred income is recognized as income by a corresponding amount and therefore no net effect occurs in the income statement. The emission allowances are used as payment in the settlement with the Swedish state regarding liabilities for actual CO_2 emissions.

Guarantees of origin
SCA receives guarantees of origin for the electricity produced by SCA's industries and wind farms. Guarantees of origin are recognized as an intangible asset and as deferred income (liability) equivalent to the produced volume for the current month at market value. Guarantees of origin can be sold, purchased or canceled. Sales of guarantees of origin are reported on the delivery date at selling price and the intangible asset and the deferred income (liability) reversed proportionately. In the event of cancellation for own use or when the validity period expires, the intangible asset is reversed and deferred income is reduced by a corresponding amount.

Assessed useful life

	Number of years
Capitalized expenditure for software	5–15
Right-of-use for network connection	25
Patents	15

Carrying amounts

	Capitalized expenditure		Emission allowances		Guarantees of origin		Construction in progress		Total intangible fixed assets	
SEKm	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Accumulated acquistion cost	1,084	1,159	238	166	3	5	419	76	1,744	1,406
Accumulated amortization	–410	–347	-	-	-	-	-	–2	–410	–349
Accumulated impairment	–33	–32	-	-	-	-	-	-	–33	–32
Total	**641**	**780**	**238**	**166**	**3**	**5**	**419**	**74**	**1,301**	**1,025**
Value January 1	**780**	**674**	**166**	**118**	**5**	**14**	**74**	**7**	**1,025**	**813**
Investments	128	129	-	-	-	-	106	56	234	185
Sustainable instruments received	-	-	366	284	6	20	-	-	372	304
Sales and disposals	-	-	–144	–116	–8	–29	-	-	–152	–145
Revaluation	-	-	1	–3	-	-	-	-	1	–3
Settlement with the Swedish government	-	-	–151	–117	-	-	-	-	–151	–117
Reclassifications	–207	29	-	-	-	-	239	11	32	40
Amortization	–60	–52	-	-	-	-	-	-	–60	–52
Value December 31	**641**	**780**	**238**	**166**	**3**	**5**	**419**	**74**	**1,301**	**1,025**

Climate risks
As of 2024, the maritime sector has been gradually included in the EU Emission Trading System (EU ETS).

The introduction has been gradual, but is 100% for 2026 and future years. There are some exceptions for vessels leaving or arriving in the EU rom third countries. For journeys between Member States and within EU ports, 100% of the emissions are encompassed. On journeys between an EU Member State and a third country, 50% of emissions are encompassed. There is no free allocation of emission allowances for maritime traffic, but SCA can reallocate emission allowances within the Group.

D2 Tangible fixed assets

§ ACCOUNTING PRINCIPLES

The cost of properties and production facilities included in major projects includes costs for running-in and start-up. Revenue from the sale of products from the running-in period is recognized as sales in the income statement. Borrowing costs are included in the cost of investments involving significant amounts that take more than 12 months to complete. Expenditure for repairs and maintenance is expensed directly in the income statement. In cases where an investment in foreign currency has been recognized using hedge accounting, the gain/loss from the hedge is recognized as part of the acquisition cost.

Land assets attributable to forest assets are recognized on a separate line in the balance sheet and are included in Note D3.

For information on investment commitments in non-current assets, refer to Note G2.

Depreciation and impairment

Land is not subject to depreciation. Buildings, land improvements, machinery and equipment are depreciated on a straight-line basis over the useful lives of the assets. The remaining useful lives of assets that will be replaced in the transition to fossil-free manufacturing could be impacted. However, the conditions required to amend accounting estimates have not been met, for example, investment decisions are still pending. Nor have investments and other cash flow related to the transition been taken into account in impairment testing. The risk of stranded assets is currently deemed low.

Assessed useful life

	Number of years
Computers	3–5
Work vehicles	5–10
Tools	3–10
Office equipment	5–10
Other machinery	7–18
Land improvements	10–20
Pulp, paper and sawmills	10–25
Energy plants	15–30
Harbors and railways	20–30
Buildings	15–50

Carrying amounts

	Buildings		Land and land improvements[1) 2)]		Machinery and equipment		Construction in progress[3)4)]		Total tangible fixed assets	
SEKm	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Accumulated acquistion cost	6,275	6,247	4,790	4,633	36,409	37,087	2,375	1,822	49,849	49,789
Accumulated depreciation	–2,538	–2,409	–2,711	–2,545	–18,757	–18,396	-	-	–24,006	–23,350
Accumulated impairment	–192	–198	–8	–7	–696	–983	–12	–12	–908	–1,200
Total	**3,545**	**3,640**	**2,071**	**2,081**	**16,956**	**17,708**	**2,363**	**1,810**	**24,935**	**25,239**
Value January 1	**3,640**	**3,789**	**2,081**	**1,728**	**17,708**	**18,270**	**1,810**	**1,443**	**25,239**	**25,230**
Investments	26	45	158	168	354	572	1,024	1,219	1,562	2,004
Sales and disposals	-	-	1	-	–4	–1	-	-	–3	–1
Company divestments	-	–47	-	–17	-	-	-	-	-	–64
Reclassifications	38	16	3	368	442	410	–503	–852	–20	–58
Depreciation	–160	–163	–172	–166	–1,546	–1,543	-	-	–1,878	–1,872
Impairment	1	-	-	-	1	-	-	-	2	-
Translation differences	-	-	-	-	1	-	32	0	33	0
Value December 31 (BS)	**3,545**	**3,640**	**2,071**	**2,081**	**16,956**	**17,708**	**2,363**	**1,810**	**24,935**	**25,239**

[1)] Land and land improvements include forest roads valued at SEK 1,080m (1,030). Investments for the year in forest roads amounted to SEK 150m (137) and depreciation for the year to SEK 101m (96).
[2)] In 2025, government grants are included in the form of investment grants in the amount of SEK 0.5m (0).
[3)] During the period, interest was capitalized in an amount of SEK 41m (19). The average interest rate used was 3.2% (4.1).
[4)] Of the outgoing value of construction in progress and advance payments for tangible fixed assets, SEK 1,332m (968) pertained to investments in Fasikan Vind AB.

D3 Forest assets

§ ACCOUNTING PRINCIPLES

Forest assets in the accounts comprise biological assets and land but as the assets are normally traded together (meaning they are non-separable) the core market is deemed to consist of trading in forest properties.

The total value of the forest assets is based on transactions conducted in the areas where SCA owns forest assets. To support this valuation, SCA retrieves statistics of transactions, which are available from a number of market sources. The value of the forest asset is calculated by multiplying the price level from the transactions by SCA's standing volume. The level of the standing volume is based on historical forest inventory and simulated growth.

SCA's valuation uses inputs, which under IFRS 13 Fair Value Measurement are recognized at various levels in the evaluation hierarchy, to measure its forest assets. The statistics obtained are market-validated inputs in accordance with measurement level 2. However, the valuation of forest assets is entirely allocated to level 3, as the estimated forest volume contains SCA's own assessments and the suppliers of the transaction data make certain adjustments using unobservable inputs (see Key assessments and assumptions below). No transfers have taken place between the measurement levels during the year.

The total value of SCA's forest assets is allocated between biological assets and land. Biological assets are valued in accordance with IAS 41 Agriculture using a DCF-model (discounted cash flow). The change in value is recognized in the income statement on the line for change in value in biological assets. The value of the land asset is calculated as the total value of the forest asset based on forest transactions less the value of the biological assets. To assess the reasonableness of the land value, SCA assesses the allocation between biological assets and the land, as well as a control valuation of the land asset using DCF-models. Land assets relating to forest assets are measured at fair value in accordance with IAS 16 Property, Plant and Equipment, paragraph 31, and are recognized on a separate line in the balance sheet under forest assets. The change in value pertaining to land assets is recognized as other comprehensive income and does not impact profit for the year.

! KEY ASSESSMENTS AND ASSUMPTIONS

Key assumptions when assessing the value of total forest asset

Market price

The market price that forms the basis for the valuation of forest assets relating to the Swedish forest holding is obtained from the providers Ludvig & Co and Svefa, which are two independent parties in relation to SCA. The providers process the data by adjusting market transactions that include other significant components in addition to forest land. Svefa also excludes forest land transactions below ten hectares. SCA makes no adjustments to data from Ludvig & Co and Svefa. SCA uses the data from the providers to calculate a volume-weighted price on the basis of where the forest assets are located geographically. The data from each supplier has the same weight in the valuation of the forest asset.

As the sale of forest properties usually takes longer and considering the delays in registration, there is a risk that the number of transactions in certain areas is too low to be representative when the measurement period is shorter. The price variation in individual forest properties can also be relatively large depending on the site productivity, age structure of the forest, distance to industry and urban areas, access to roads and any conservation values resulting in forestry restrictions. SCA's assessment is that a sufficient number of transactions exist over a three-year period to obtain an adequate basis that reliably represents an average forest property in each geographical price area. SCA's calculated market price is based on forest transactions over the last three years.

Data from suppliers is delivered to SCA distributed by regions in northern Sweden. SCA uses the distribution of suppliers as classes in its valuation and prices each class separately. The weight of the class in the total market price is according to the distribution of the standing volume in the latest forest inventory (2019).

Forest volume

The standing volume is based on SCA's latest forest inventory conducted in 2019. In a forest inventory, an inventory of the standing volume is carried out based on statistically selected sample plots on SCA's land, and these sample plots are used to simulate the standing volume of the entire stand. The forest inventory is also compared with the outcome of the Swedish National Forest Inventory on land owned by SCA. A comparison is also conducted between forest inventories. The Swedish National Forest Inventory is performed by the Swedish University of Agricultural Sciences (SLU), which is an independent party in relation to SCA. The standing volume includes only volumes from productive forest land.

A forest inventory is carried out roughly every ten years. Between forest inventories, the annual growth of the forest is simulated on the basis of the inventory. The simulation of SCA's growth is carried out by an external party that is independent of SCA, and is then fixed until the next inventory. Growth is adjusted by the actual harvesting performed in SCA's forest holding.

Baltic holding

SCA uses a three-year average market price based on completed forest transactions in the Baltic region. Market statistics of forest land prices in the Baltic region are primarily obtained from Norskog, which is an independent party in relation to SCA. Since available data for forest property transactions in the Baltic region are less comprehensive than Swedish data, SCA uses other data sources to determine the price interval used to assess the price for valuation. SCA therefore obtains an external DCF valuation from Norskog, and SCA's own transactions in the Baltic region are also used as an additional comparison together with other known transactions outside of Norskog's statistics, such as transactions with legal entities. The range of the data sources indicated a price of EUR 43–62 (44–61) /m³fo on the balance sheet date. The growth of the standing volume in the Baltic region is calculated by Norskog.

Key assumptions when allocating the asset to biological assets and land

The total value of the forest asset is allocated between biological assets and land. Biological assets are valued using a DCF-model. The land asset is calculated as the total value of the forest asset based on forest transactions less the value of the biological assets.

The same allocation is used for the Baltic holding as for the Swedish holding, which is considered to be the best approximation of the allocation of the value of forest assets in the Baltic region.

Biological assets

The calculation to establish the value of biological assets is based on SCA's existing, sustainable harvesting plans and assessments regarding growth, timber prices, harvesting and silviculture costs, and selling expenses. When cash flow was discounted, income and expenses were assessed using historical price trends that were adjusted upward by an annual inflation rate of 2% (2). SCA also capitalizes replanting costs.

Yield requirement

SCA estimates the yield requirement based on available data, which mainly consists of the National Land Survey's guidance for forest valuation, comparable companies in the same industry and an estimate of the implicit yield requirement for the entire forest asset based on transactions made over a three-year period. See the section Market price for more information on the transactions used. SCA has made the assumption that the yield requirement for the forest asset as a whole and the biological asset do not differ significantly regardless of regions in northern Sweden and therefore uses the same yield requirement.

Based on the data collected, a range is determined within which the yield requirement for the biological asset is deemed to be, and based on an overall assessment and analysis of the available data, SCA determines a yield requirement within that range.

The yield requirement does not impact the total value of the forest asset but only the allocation of the value between biological assets and land assets.

Impact of climate change and political decisions

Climate-related risks and opportunities have been assessed using scenario analysis where both physical and transition risks were assessed, see the risk section of the Board of Directors' Report. Climate change may mean a longer growing season, which may lead to an increase in harvesting volume. Increased risk of impact from extreme weather events such as storms, longer droughts or increased risk of infestation could reduce harvestable volume and increase harvesting costs. Increased demand for renewable products can boost demand for products based on forest raw materials, which could lead to higher timber prices. Political decisions and certification requirements that may restrict the extraction of raw material, the right to cultivate the forest and requirements for increased set-asides may reduce harvestable volume. Increased or decreased harvesting volume can in turn affect the supply of wood in the

market and thus wood prices. The choice to participate in, or abstain from, voluntary certification systems can also affect wood prices. When valuing biological assets, these risks and opportunities are taken into account, for example the effects of climate change. Given the uncertainty about when the effects will occur in time and with what magnitude, the long production cycle of 100 years and the fact that they are expected to have both positive and negative effects, the Company's best assessment in 2025 was that these had a neutral effect on the value of biological assets.

A sensitivity analysis is presented in table D3:2 that covers significant assumptions such as changed yield requirement, timber price, harvesting costs and volumes to provide an opportunity to estimate the value under other assumptions. Assumptions for the valuation of biological assets do not affect the total value of the forest asset, but only the distribution of the value between biological assets and land assets.

Valuation of total forest asset

The market value of SCA's forest asset is based on completed forest transactions, where the value is calculated by multiplying the average price level in the regions where SCA owns forests by SCA's standing volume. SCA's forest holdings in Sweden are made up of approximately 2.6 (2.6) million hectares of forest assets in northern Sweden, of which approximately 2.0 (2.0) million is productive forest land. SCA also owns just over 67,000 (66,000) hectares of forest land and 10,000 (11,000) hectares of other land in the Baltic region that can potentially be converted to forest land or be sold. Gross growth amounts to approximately 10.9 (10.9) million m³fo per year on productive forest area. Net growth, meaning growth after harvesting and natural losses, was estimated in 2025 at approximately 2.5 (2.7) million m³fo in Sweden and 0 (0.1) million m³fo in the Baltic region. As of December 31, 2025, timber volume was estimated to amount to approximately 268 (266) million m³fo in Sweden and approximately 8 (8) million m³fo in the Baltic region.

The total value of SCA's forest assets is based on transactions in the areas where SCA owns forest properties. Each supplier's price statistics for northern Sweden are divided into a number of regions. Ludvig & Co delivers statistics by county in northern Sweden and Svefa delivers its statistics by forest price area, as shown in the figure Price area Svefa, refer to the following page. All of SCA's Swedish holdings are located in northern Sweden with a concentration in southern Norrland, as shown in the table Market data calculation three-year average by area in Sweden, refer to the following page. The price differences between the classes in the valuation are, in SCA's opinion, mainly motivated by distance to industries (transportation costs), site productivity and distance to major cities/towns. In the suppliers' data for 2025, SCA was a party in approximately 3% (2) of the transactions.

The three-year average price in 2025 was SEK 372/m³fo (388) and is used to determine the total average value per m³fo of SCA's forest assets in Sweden. The corresponding price for the Baltic region is EUR 44/m³fo (44).

Forest assets

	Biological assets		Land assets		Total forest assets	
SEKm	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Value January 1	**60,355**	**58,214**	**46,974**	**49,267**	**107,329**	**107,481**
Acquisitions	132	204	111	167	242	371
Divestments	–95	–159	–99	–147	–195	–306
Change due to harvesting	–1,541	–1,471	-	-	–1,541	–1,471
Other changes in fair value[1)]	3,519	3,491	–5,346	–2,375	–1,825	1,116
Translation differences	–140	76	–104	62	–244	138
Value December 31 (BS)	**62,230**	**60,355**	**41,536**	**46,974**	**103,766**	**107,329**

[1)] Other changes are mainly recognized as the change in value related to market price for forest properties and the growth of the forest.

Growth in SCA's forest

	Total	
Volume, million m³fo	**2025**	**2024**
Value January 1	**274.1**	**271.1**
Available growth	9.3	9.5
of which gross forest growth	*10.9*	*10.9*
of which natural losses, clearing and other	*–1.6*	*–1.4*
Harvesting	–6.8	–6.7
Net forest growth	2.5	2.8
Value December 31	**276.6**	**273.9**
Acquisitions	0.0	0.2
Value December 31	**276.6**	**274.1**
of which Sweden	*268.3*	*265.8*
of which Baltic region	*8.3*	*8.3*

Distribution by country

SEKm	**2025**	**2024**
Forest assets in Sweden[1)]	99,829	103,145
Forest assets in the Baltic region[2)]	3,937	4,184
Total value of forest assets	**103,766**	**107,329**
Deferred tax related to forest assets	20,467	21,155

[1)] The fair value of SCA's forest assets in Sweden in 2025 was based on a timber volume of approximately 268 million m³fo multiplied by the market price of SEK 372/m³fo.

[2)] The fair value of SCA's forest assets in the Baltic region in 2025 was based on a timber volume of approximately 8 million m³fo multiplied by the market price of EUR 44/m³fo (translated to SEK at the closing day rate).

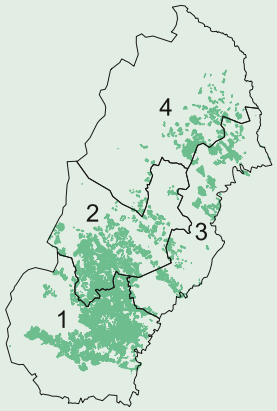
Carrying amount per hectare and forest cubic meter

	2025	**2024**
Productive area SEK/hectare (Sweden)	49,153	50,697
Total area SEK/hectare (Sweden)	38,798	40,033
Total area EUR/hectare (Baltic region)	4,714	4,750
Productive area EUR/hectare (Baltic region)	5,448	5,540
SEK/m³fo (Sweden)	372	388
EUR/m³fo (Baltic region)	44	44

Market data calculation three-year average by area in Sweden

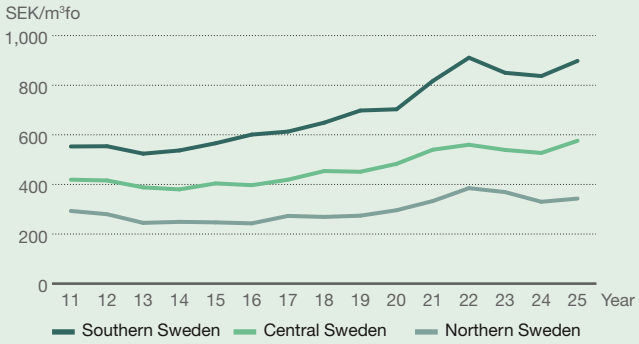
Area	Price weight	Market price (three-year average) 2025	Market price (three-year average) 2024	No. of transactions (three years) 2025	No. of transactions (three years) 2024
Norrbotten	5%	283	286	181	152
Västerbotten	7%	315	331	383	329
Jämtland	20%	378	398	285	295
Västernorrland	18%	414	442	200	169
Total Swedish assets, Ludvig & Co	**50%**	**372**	**392**	**1,049**	**945**
Area 1	30%	409	426	339	293
Area 2	12%	302	313	177	155
Area 3	6%	380	378	303	259
Area 4	3%	257	261	65	60
Total Swedish assets, Svefa	**50%**	**372**	**384**	**884**	**767**
Average Swedish assets	**100%**	**372**	**388**	**967**	**856**

Price area Svefa

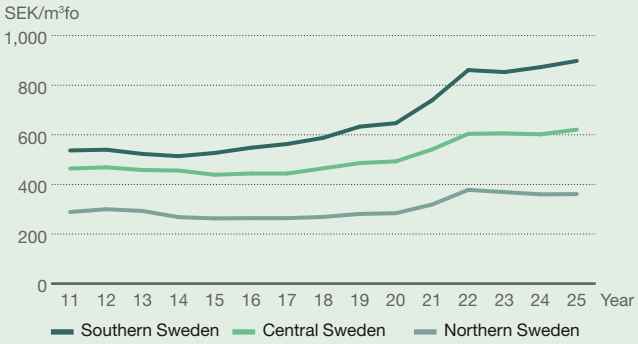


Forest land prices, Sweden, nominal value 2011–2025

Ludvig & Co

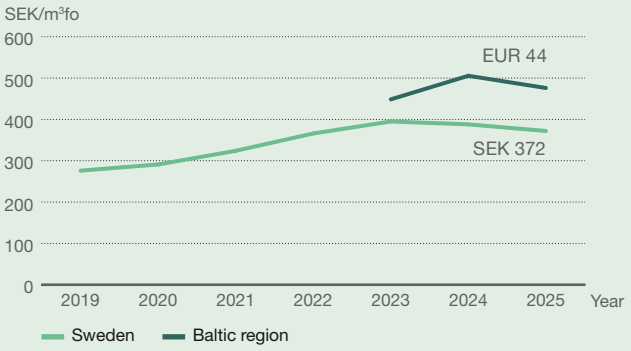


Svefa



Market price of forest transactions

Historical market price 2019–2025 (based on three-year average)



Market data included in SCA's forest valuation[1]

Inputs used in three-year average[2]	2025	Year 2025	2024	2023
No. of transactions	967	342	339	286
Average price, SEK/m³fo	372	367	358	390
Average size of estate (hectares)	115	95	123	127

[1] Combined statistics from Svefa and Ludvig & Co volume-weighted according to geographic position for SCA's forest holdings. SCA's forest holding is largely in the southern parts of northern Sweden, where prices are slightly above the average for northern Sweden as a whole.

[2] The data included in the three-year average is based on information available as of 31 December 2025. The information from Svefa and Ludvig & Co is updated in subsequent periods to also reflect transactions that were not registered as of 31 December each year. This means that the information for each historical period in this table may have changed since the 2024 Annual Report.

SCA has prepared a sensitivity analysis for forest assets (table D3:1) in the form of changed timber volume and price for each class in the valuation.

TABLE D3:1

Sensitivity analysis total forest assets

SEK bn	Assumptions	Change in value 2025	Change in value 2024
Market price	**Price change**		
Total three-year average based on market statistics	5% on a total volume of 277 (274) million m³fo	5.2	5.4
Norrbotten three-year average	5% on a price weight of 10%	0.5	0.6
Västerbotten three-year average	5% on a price weight of 14%	0.7	0.7
Jämtland three-year average	5% on a price weight of 40%	2.0	2.0
Västernorrland three-year average	5% on a price weight of 36%	1.8	1.9
Baltic region	5% on a total volume of 8 million m³fo	0.2	0.2
Forest holding's standing timber volume[1]	3 million m³fo (approx. 1%)	1.1	1.2

[1] The sensitivity figures are based on the Swedish market price, which for 2025 has been set to SEK 372 (388) /m³fo.

Allocation of total forest asset value

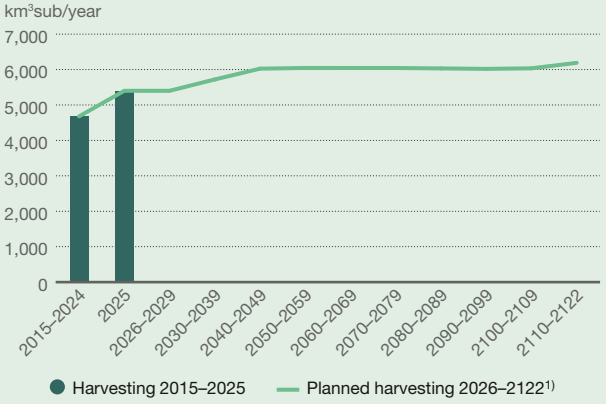
The current year's valuation of biological assets and land assets was based on market statistics, forest volume and discounted cash flows. SCA uses a yield requirement that reflects the market's required return for forest properties. For the current year's valuation of biological assets, the same valuation model was used as in the previous year using a yield requirement of 3.9% (3.8) after tax. The yield requirement for investments in forest assets reflects the forest's long cycles, and it is not affected by short-term variations in market rates.

Biological assets

The value of the biological assets was determined by establishing a DCF-model, where expected cash flows after tax are sales revenues less harvesting and sales costs. The level of harvesting from the forest is based on SCA's latest long-term harvesting calculation, prepared 2020, and a production cycle that extends over approximately 100 years.

Harvesting

Harvesting 2015–2025 and planned harvesting 2026–2122[1)]



[1)] According to the latest harvesting calculation (2020).

Assumptions regarding future price and cost levels are based on historical price trends adjusted for inflation. The valuation assumes an average timber price of SEK 575 (549) per m³sub. Annual harvesting in 2025 was 5.4 (5.2) million m³sub and is expected to rise over the future production cycle. Of this, 48% is expected on average over the years to comprise sawlogs and 52% pulpwood.

The change in the fair value of biological assets and change due to harvesting are recognized as a net value in the income statement on the line change in value in biological assets under IAS 41. The change amounted to SEK 1,782m (1,840) in the income statement, the change was driven primarily by higher long-term timber price. The total change in value of biological assets amounted to SEK 1,875m (2,141).

Yield requirement

SCA estimates that the yield requirement for areas where SCA has forest assets in Sweden was between 3.4–4.4% (3.3–4.4) after tax. SCA estimates that the yield requirement increased slightly in 2025 to 3.9% (3.8) after tax as long-term timber prices increased at the same time as the price level of forest properties decreased slightly.

If the lower end of the range for the yield requirement had been used, the biological assets would have been valued at SEK 75bn (73) and if the higher end of the range had been used the biological assets would have been valued at SEK 52bn (47), given that other assumptions remain unchanged. Sensitivity is also shown in table D3:2. A change in the yield requirement would not impact the carrying amount of the total forest asset.

The implicit yield requirement, which is based on transactions made and is an important input to the range, is based on 967 transactions (856) over the 2023–2025 period. No area had fewer than 65 transactions (60) during the measurement period. Total transaction volume corresponded to approximately 3% (4) of SCA's total holdings.

TABLE D3:2

Sensitivity analysis biological assets as a share of forest assets [1)2)]

		Change in value	
SEK bn	**Assumptions**	**2025**	**2024**
Yield requirement	Reduction by 0.1%	2.3	2.3
Timber price	Increase of 10%	13.0	12.6
Harvesting cost	Increase of 10%	–3.5	–3.5
Volume harvested	Increase of 10%	6.6	6.4

[1)] Since the effects of climate change are difficult to predict, SCA has chosen a few parameters for a sensitivity analysis where the climate could impact the valuation of forest assets and biological assets. For example, future timber volume and possible harvesting are impacted by climate change through increased growth, and in parallel greater risk of infestation and extreme weather conditions.

[2)] The parameters in the sensitivity analysis explain most of potential value impacts on biological assets.

Land assets

Forest land comprises the forest asset excluding the trees currently in the forest, and its cash flow consists mainly of future production cycles and other revenues from the land, such as wind power, gravel quarries and hunting. The value of forest land is calculated as the total value of the forest asset based on forest transactions less the value of the biological assets (trees currently standing on the land asset).

For 2025, the value of the land asset amounted to SEK 41,536m (46,974), meaning the total value of the forest asset of SEK 103,766m (107,329) less biological assets of SEK 62,230m (60,355).

The largest part of the cash flow from the land asset consists of harvesting from future generations of trees, meaning trees that will be planted. SCA's assessment is that improved seedlings with higher growth, improved forest conditions and more efficient forest management will have a greater impact on future production cycles and thus land value.

Another important component of cash flow from the land asset is wind power leases. Lease income for 2025 amounted to SEK 99m (128) and is expected to increase as more land is leased for wind power.

The land asset can also generate revenue from wind power projects, meaning the sale of permits for wind power linked to the land holding. In addition, SCA sells gravel and stone material from the Company's quarries as well as fishing and hunting rights.

The land asset also has the potential to generate new revenue streams in the future, such as green certificates. Accordingly, there is future potential cash flow from the land asset if the net capture of CO_2 from the forest is included in existing or new emissions trading schemes. At present, no such system exists to generate cash flow for the land asset.

The change in fair value of the land asset is recognized in other comprehensive income and amounted to SEK –5,346m (–2,376) for 2025, the change was driven primarily by lower market price for forest land.

As the land asset is based on forest transactions less biological assets, the reader can use tables D3:1 and D3:2 to simulate the change in land value under different scenarios.

D4 Right-of-use assets and lease liabilities

§ ACCOUNTING PRINCIPLES

Lessee

SCA's lease agreements primarily consist of trains, office premises, terminals, warehouses, other buildings, land leases, various transport vehicles, and company cars. SCA uses the available exemption for short-term leases and leases where the underlying asset has a low value. Lease contracts covered by the exemption largely consist of photocopiers and coffee machines.

On the date of initial application for the lease, the lease liability is measured at the present value of outstanding lease payments. Lease payments are to be discounted by the interest rate implicit in the lease contract, if it can be readily determined. In cases where the rate cannot be readily determined, lease payments are discounted using SCA's incremental borrowing rate. A substantial part of SCA's lease liability has been discounted using the incremental borrowing rate. SCA has established a method for determining the incremental borrowing rate, which includes the credit rating of the individual subsidiaries, the economic environment, contract duration of the lease, and class of asset. Updating the incremental borrowing rate is performed on a regular basis of new and modified contracts. Lease liabilities are classified as financial liabilities, see Note E4.

The lease term is defined as the non-cancellable lease period together with periods that may be covered by an option to extend a lease if the lessee is reasonably certain of utilizing this alternative and periods covered by an option to terminate the lease if the lessee is reasonably certain of not utilizing this alternative. SCA has a number of contracts where the contractual terms clearly encompass extension periods. The right to an extension has been included in the lease term when SCA with reasonable assurance can determine that the contract will be extended.

Impairment is addressed in Note D2.

Assessed useful life of right-of-use assets

	Number of years
Company cars	3–4
Other	2–8
Trains	10
Work vehicles	3–12
Properties, real estate	3–40

Lessor

Agreements where SCA is a lessor are primarily consisting of development rights for land connected to wind power projects, leasing non-productive forest land, leasing parts of industrial facilities and subletting of property. All contracts when SCA is lessor are classified as operating leases. The classification is primarily based on the master agreement entered into by SCA and not on the basis of the underlying asset.

! KEY ASSESSMENTS AND ASSUMPTIONS

IFRS 16 Leases stipulates that when entering into any agreement an assessment must be made of whether the contract is or includes a lease. SCA assesses all contracts entering into force on an individual basis with the exception of contracts for company cars, which are assessed as a portfolio. In cases where a lease contract includes an identifiable asset, but where SCA is not entitled to receive essentially all benefits from use of the asset or is not entitled to control use of the identified asset, SCA's assessment in all instances is that the contract is not, nor does it contain, a lease agreement. A contract can include components that are not to be classified as lease components, such as included services, personnel, and administration. SCA has chosen to exclude all non-lease components for all leases.

SCA has not included the right to an extension in the lease term where the lease period exceeds ten years as the assessment is that "reasonable assurance" cannot be applied to such a long interval. The following extension periods have been utilized for contracts that include a right to an extension for an unspecified period and where SCA with reasonable assurance will utilize this right: forklifts and other work vehicles 3 years, property 3–5 years.

A number of contracts include an option to withdraw from the agreement early, but an early termination would then trigger a termination fee, the size of which is dependent on when the agreement is terminated. In no instance over the lease term has SCA considered the option to withdraw from an agreement early as there are often significant termination fees. In cases where SCA and its counterparty are each independently entitled to terminate a lease without the consent of the counterparty and without a substantial financial penalty, SCA has considered the agreement as unenforceable. In cases where only the counterparty was entitled to terminate an agreement, the contract's period of notice has constituted the lease term. When SCA has been solely entitled to terminate an agreement, the lease term in the majority of cases was assessed as 3–5 years, as described above.

In applicable cases, residual value guarantees were taken into account when determining the lease payments.

Leases where SCA is lessee in accordance with IFRS 16
Carrying amounts right-of-use assets and lease liabilities

	Right-of-use assets						
SEKm	Properties, real estate	Trains	Work vehicles	Company cars	Other	Total	Lease liabilities[2]
Value January 1, 2025	**274**	**128**	**65**	**98**	**8**	**573**	**606**
Lease payments	-	-	-	-	-	-	–223
Depreciation	–70	–42	–33	–44	–7	–196	-
Interest expenses	-	-	-	-	-	-	25
Additional and remeasured contracts[1]	28	0	25	36	3	92	92
Terminated contracts	0	0	–1	–2	0	–3	–2
Translation differences	–7	0	0	0	0	–7	–10
Value December 31 (BS)	**225**	**86**	**56**	**88**	**4**	**459**	**488**

[1] Additional contracts amount to SEK 53m and remeasurement of existing contracts to SEK 39m. The remeasurement of leases mainly concerns the extension of the lease period for a number of rental contracts for premises and indexed rental payments. Of the additional contracts, SEK 14m concerns new machinery and SEK 31m cars.
[2] Of the total lease liability at year-end, SEK 303m is classified as non-current financial liabilities and SEK 185m as current financial liabilities. An analysis by maturities is provided in Note E4.

	Right-of-use assets						
SEKm	Properties, real estate	Trains	Work vehicles	Company cars	Other	Total	Lease liabilities[2]
Value January 1, 2024	**263**	**166**	**61**	**71**	**9**	**570**	**600**
Lease payments	-	-	-	-	-	-	–215
Depreciation	–67	–42	–35	–39	–8	–191	-
Interest expenses	-	-	-	-	-	-	29
Additional and remeasured contracts[1]	72	4	41	71	9	197	193
Terminated contracts	0	0	–2	–5	–2	–9	–10
Translation differences	6	0	0	0	0	6	9
Value December 31 (BS)	**274**	**128**	**65**	**98**	**8**	**573**	**606**

[1] Additional contracts amount to SEK 143m and remeasurement of existing contracts to SEK 54m. The remeasurement of leases mainly concerns the extension of the lease period for a number of rental contracts for premises and indexed rental payments. Of the additional contracts, SEK 28m concerns warehouses, SEK 11m a forklift and SEK 64m cars.
[2] Of the total lease liability at year-end, SEK 402m is classified as non-current financial liabilities and SEK 204m as current financial liabilities. An analysis by maturities is provided in Note E4.

Amounts reported in income statement

SEKm	2025	2024
Depreciation right-of-use assets	–196	–191
Interest expenses, lease liability	–25	–29
Lease payments related to low value leases	–1	–2
Lease payments related to short-term leases	–2	–1
Variable payments	0	–14
Terminated contracts	–1	1
Total	**–225**	**–236**

Cash flow
SCA recognizes a cash flow effect arising from payments related to present value calculated leasing contracts of SEK 223m (215). The cash flow effect attributable to low value leases, short-term leases and variable payments amounts to SEK 3m (17).

TABLE D4:1

Operating leases where SCA is lessor
Rental income for the year amounts to SEK 135m (162). Future minimum lease payments for operating leases mature according to the table below:

SEKm	2025	2024
Within 1 year	152	123
Between 1 and 5 years	757	537
More than 5 years	191	108
Total	**1,100**	**768**

D5 Inventories

§ ACCOUNTING PRINCIPLES

Inventories are measured at the lower of cost and net realizable value. Felling rights for standing timber are measured at contract prices, which on average have not exceeded the lower of net realizable value and acquisition cost.

Inventories

SEKm	2025	2024
Raw materials and consumables	1,605	1,542
Spare parts and supplies	928	917
Products in progress	269	235
Finished products	2,038	1,927
Felling rights	1,715	1,109
Total (BS)	**6,555**	**5,730**

Impairment of inventory amounted to SEK 27m (19) during the period.

D6 Other current receivables

§ ACCOUNTING PRINCIPLES

Derivatives
Derivatives are classified as a financial instrument, refer to Note E1. Since SCA defines derivatives used to hedge operating items as operating derivatives, they are recognized on operating lines in the balance sheet.

Other current receivables

SEKm	2025	2024
Other current receivables included in working capital		
VAT receivables	258	243
Accrued income	73	80
Prepaid expenses	184	193
Receivables authorities	76	83
Derivatives	235	30
Other receivables	144	174
Total other current receivables included in working capital	**970**	**803**
Other current receivables excluded in working capital		
Receivables electricity certificates	0	0
Total other current receivables excluded in working capital	**0**	**0**
Total (BS)	**970**	**803**

D7 Other liabilities

§ ACCOUNTING PRINCIPLES

Derivatives
Derivatives are classified as a financial instrument, refer to Note E1. Since SCA defines derivatives used to hedge operating items as operating derivatives, they are recognized on operating lines in the balance sheet.

Other liabilities

SEKm	2025	2024
Other non-current liabilities		
Other non-current liabilities	0	0
Total (BS)	**0**	**0**
Of which items that fall due for payment later than within 5 years	-	-
Other current liabilities		
Other current liabilities included in working capital		
Derivatives	8	270
Accrued expenses and prepaid income (D7:1)	761	840
Other operating liabilities	228	160
Total other current liabilities included in working capital	**997**	**1,270**
Other current liabilities excluded in working capital		
Accrued expenses and prepaid income (D7:1)	173	22
Total other current liabilities excluded in working capital	**173**	**22**
Total (BS)	**1,170**	**1,292**

TABLE D7:1

Accrued expenses and prepaid income

SEKm	2025	2024
Accrued expenses and prepaid income included in working capital		
Accrued social security costs	95	111
Accrued vacation pay liability	123	116
Other liabilities to personnel	112	166
Bonus and discounts to customers[1)]	56	83
Other items	375	364
Total accrued expenses and prepaid income included in working capital	**761**	**840**
Accrued expenses and prepaid income excluded in working capital		
Emission allowances	173	22
Total accrued expenses and prepaid income excluded in working capital	**173**	**22**
Total	**934**	**862**

[1)] The principles for recognition of revenue from contracts with customers are described in Note B1.

D8 Other provisions

§ ACCOUNTING PRINCIPLES

A provision for restructuring measures is recognized when the Group has established a detailed plan and either implementation has begun or the main features of the measures have been communicated to the parties involved. Restructuring costs include, for example, costs for plant closures, impairment of production machinery and costs for personnel reductions.

Other provisions

SEKm	Environment	Other	Total
Value January 1	**206**	**23**	**229**
Provisions	69	5	74
Utilization	–150	–19	–169
Dissolutions	-	–4	–4
Value December 31	**125**	**5**	**130**
Provisions comprise:			
Long-term component (BS)			57
Short-term component (BS)			73
of which short-term component included in working capital			*4*
of which short-term component excluded in working capital			*69*

Of the provisions for the period for environment, SEK 67m pertains to carbon dioxide emissions, which will be paid out in 2026. The remaining SEK 2m of provisions for the period concerning environment pertain to land restoration expenses. Remaining provisions concerning the environment from previous years largely relate to a liability for carbon dioxide emissions, provisions for future remediation commitments and restoration expenses for land and gravel quarries.

Of the remaining other provisions for the year, SEK 3m relates to early retirement pensions and SEK 2m relates to repairs to a leased warehouse. The provision for personnel costs linked to organizational changes decreased by SEK 18m in 2025 and is therefore settled in full. The provision for the discontinuation of publication paper operations primarily relates to costs for decommissioning work and IT. The provision was reduced by SEK 5m in 2025 and is therefore settled in full.

D9 Trade payables

§ ACCOUNTING PRINCIPLES

Trade payables are classified as a financial item according to IFRS 9, but since the liability relates to the business, SCA classifies it as operational.

Trade payables

SEKm	2025	2024
Trade payables included in working capital		
Trade payables	4,375	3,774
Total trade payables included in working capital	**4,375**	**3,774**
Trade payables excluded from working capital		
Trade payables strategic capital expenditures	205	666
Total trade payables excluded from working capital	**205**	**666**
Total (BS)	**4,580**	**4,440**

SEK 2,445m (1,835) of the total trade payable was related to standing forest, referred to as standing forest timber for sale. The seller of standing forest timber for sale has the right to almost immediate payment once the timber is harvested, though a payment plan can be used to spread payments over a longer period.

E Capital structure and financing

E1 Financial instruments by category and measurement level

§ ACCOUNTING PRINCIPLES

Financial instruments recognized in the balance sheet include cash and cash equivalents, securities, other financial receivables, trade receivables, trade payables, loans, derivatives and equity instruments.

Current investments and derivatives are recognized on the trade date. Trade receivables and trade payables are recognized in the balance sheet once the invoice has been sent or received, respectively. Equity instruments and loans are recognized on the settlement date.

Financial instruments by category and measurement level

SEKm	Note	Measurement level	2025	2024
Financial assets measured at fair value in the income statement				
Non-current financial assets	E2	2	110	102
Derivatives – Current financial assets	E2	2	1	1
Derivatives – Other current receivables	D6	2	105	8
Total			**216**	**111**
Financial liabilities measured at fair value in the income statement				
Derivatives – Current financial liabilities	E4	2	0	3
Derivatives – Other current liabilities	D7	2	2	45
Total			**2**	**48**
Financial assets measured at fair value through other comprehensive income				
Equity instruments	E2	3	24	14
Total			**24**	**14**
Financial assets measured at amortized cost				
Prepaid financial expenses	E2	-	81	91
Trade receivables	E3	-	3,196	3,279
Cash and cash equivalents	E2	-	590	1,328
Total			**3,867**	**4,698**
Financial liabilities measured at amortized cost				
Non-current financial liabilities excluding leases and derivatives	E4	-	12,306	11,107
Non-current financial liabilities leases	D4, E4	-	303	402
Current financial liabilities excluding leases and derivatives	E4	-	1,832	2,857
Current financial liabilities leases	D4, E4	-	185	204
Trade payables	D9	-	4,580	4,440
Total			**19,206**	**19,010**
Derivatives used for hedge accounting				
Non-current financial assets	E2	2	24	39
Other non-current assets	-	2	6	-
Other current receivables	D6	2	130	22
Total			**160**	**61**
Non-current financial liabilities	E4	2	11	10
Other current liabilities	D7	2	6	225
Total			**17**	**235**

Financial instruments are measured at fair value, with the exception of loan and trade receivables and financial liabilities measured at amortized cost. The measurement basis for lease liabilities is presented in Note D4. According to SCA's assessment, the fair value essentially corresponds to the carrying amount, with the exception of non-current liabilities (interest-bearing loans and investments), of which the fair value is presented in Note E4.

Financial instruments in other notes to the balance sheet

SEKm	Note	2025 Financial instruments	2025 Of which derivatives	2024 Financial instruments	2024 Of which derivatives
Assets					
Financial assets, cash and cash equivalents	E2	830	25	1,575	40
Other non-current assets		6	6	0	0
Trade receivables	E3	3,196	-	3,279	-
Other current receivables	D6	235	235	30	30
Total		**4,267**	**266**	**4,884**	**70**
Liabilities					
Financial liabilities excluding leases	E4	14,149	11	13,977	13
Other non-current liabilities	D7	-	-	0	-
Lease liabilities	D4, E4	488	-	606	-
Trade payables	D9	4,580	-	4,440	-
Other current liabilities	D7	8	8	270	270
Total		**19,225**	**19**	**19,293**	**283**

E2 Financial assets, cash and cash equivalents

§ ACCOUNTING PRINCIPLES

Cash and cash equivalents are defined as cash and bank balances as well as short-term investments with a maturity of less than three months from the acquisition date. Equity instruments comprise shares measured at fair value. These shares are not held for trading, which is why changes in value in accordance with IFRS 9 Financial Instruments are recognized in equity through other comprehensive income. The changes in value related to exchange gains/losses are recognized as financial income and expenses in the income statement.

Financial assets, cash and cash equivalents

SEKm	Carrying amount 2025	Carrying amount 2024
Non-current financial assets		
Equity instruments (E2:1)	24	14
Derivatives	24	39
Capital investments, other	110	102
Total (BS)	**158**	**155**
Current financial assets		
Prepaid financial expenses	81	91
Derivatives	1	1
Total (BS)	**82**	**92**
Cash and cash equivalents		
Cash and bank balances	590	1,328
Total (BS)	**590**	**1,328**
Total financial assets, cash and cash equivalents	**830**	**1,575**

TABLE E2:1

Equity instruments

SEKm	2025	2024
Value January 1	**14**	**14**
Revaluation taken to other comprehensive income, net	10	0
Value December 31	**24**	**14**

Distribution of equity instruments

SEKm	2025	2024
Shares – Shore Link AB	3	3
Shares – Sundsvalls Hamn AB	17	7
Shares – Bioenergi i Luleå AB	3	3
Other	1	1
Total	**24**	**14**

E3 Trade receivables

§ ACCOUNTING PRINCIPLES

Trade receivables belong to the category of financial assets measured at amortized cost, since the purpose of the holding is to obtain contractual cash flows. The provision for expected customer losses is based on an individual assessment of overdue trade receivables for each customer. In compliance with IFRS 9 Financial Instruments, SCA applies a simplified impairment model for trade receivables, whereby the expected credit loss is recognized for the estimated remaining lifetime of the receivable. The basis for the assessment of credit risk in the part of the customer portfolio that is not assessed individually is the average loss frequency of historical customer losses. The average loss frequency is adjusted as necessary to take into account changes in credit risk. In the past, SCA has not incurred significant customer losses and these losses have not exhibited significantly different loss patterns for various customers segments or economic cycles, which is why a matrix is used to measure expected customer losses. The total provision for expected customer losses, in addition to the trade receivables assessed individually, amounted to SEK –10m (–10) at the end of 2025. SCA has signed credit insurance in order to reduce its credit risk. The trade receivables covered by the credit insurance amount to 28% (36) of total trade receivables on December 31, 2025.

Any impairment of trade receivables affects SCA's other operating expenses.

SCA's trade receivables are generally current and are not discounted.

Trade receivables

SEKm	2025	2024
Trade receivables, gross	3,244	3,321
Provision for expected customer losses	–48	–42
Total (BS, E3:1)	**3,196**	**3,279**

TABLE E3:1

Analysis of credit risk exposure in trade receivables

SEKm	2025	2024
Trade receivables neither overdue nor impaired	**2,984**	**2,902**
Trade receivables overdue but not impaired		
Less than 30 days	173	328
Between 30–90 days	23	31
More than 90 days	16	18
Total trade receivables overdue but not impaired	**212**	**377**
Total	**3,196**	**3,279**

SCA's customer structure is diversified, with customers in many different areas of business. In 2025, SCA's ten largest customers accounted for 30% (30) of SCA's sales. More information is available in the section on credit risks in the Board of Directors' Report.

Provision for expected customer losses

SEKm	2025	2024
Value January 1	**–42**	**–33**
Provision for expected credit losses	–21	–9
Confirmed credit losses	2	1
Decrease due to reversal of provisions for expected credit losses	13	2
Reclassification	-	–3
Translation differences	0	0
Value December 31	**–48**	**–42**

Expected credit losses in the income statement amounted to SEK –14m (–1).

E4 Financial liabilities

Financial liabilities

SEKm	2025	2024
Non-current financial liabilities		
Bond loans	4,450	2,700
Derivatives	11	10
Other non-current loans with maturities between 1 and 5 years	5,496	5,765
Lease liabilities with maturities between 1 and 5 years	197	280
Other non-current loans with maturities of more than 5 years	2,360	2,642
Lease liabilities with maturities of more than 5 years	106	122
Total (BS)	**12,620**	**11,519**
Current financial liabilities		
Bond loans	500	1,300
Derivatives	0	3
Amortization within 1 year	1,051	797
Loans with maturities of less than 1 year	247	715
Lease liabilities with maturities of less than 1 year	185	204
Accrued financial expenses	34	45
Total (BS)	**2,017**	**3,064**
Total financial liabilities	**14,637**	**14,583**
Fair value of financial liabilities[1)]	14,077	13,851

[1)] The fair value of financial liabilities are recognized excluding lease liabilities.

Borrowing

Climate and sustainability are an integrated and essential part of credit analyses from creditors, banks and rating institutions. SCA's commitment to sustainability and the climate value integrated in SCA's balance sheet and value chain have enabled good opportunities for SCA to secure financing, and are expected to continue doing so, even if requirements become stricter. This presents opportunities for diversification between different lending sources, longer maturities and favorable terms, which reduces refinancing risk. SCA has no financial covenants linked to any part of the Group's financing.

Bond loans

SCA has a Medium Term Note (MTN) program with an amount of SEK 8,000m (8,000) for issuing bonds in the capital market. As of December 31, 2025, a nominal SEK 4,950m (4,000) was outstanding, of which green bonds accounted for SEK 3,250m (1,500). The green bonds were issued under the SCA Green Bond Framework from 2021, as well as the revised framework from 2025, both of which comply with the Green Bond Principles. SCA reports back to bond holders about the green investments every year.

SEKm	Maturity, year	Carrying amount	Fair value
Bond – floating rate	2026	500	501
Bond – fixed rate	2027	1,200	1,172
Bond – fixed rate (Green)	2028	400	387
Bond – floating rate (Green)	2028	1,100	1,111
Bond – floating rate (Green)	2030	1,100	1,103
Bond – floating rate (Green)	2032	650	649
Total		**4,950**	**4,923**

Bilateral loans

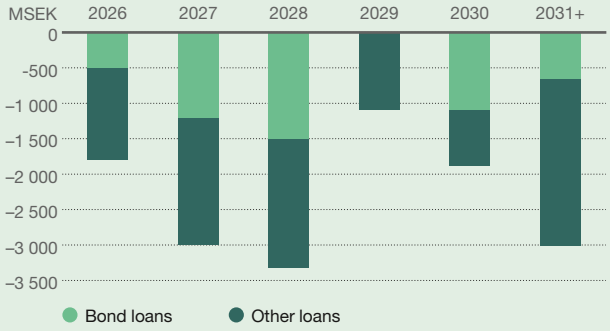
Approximately 63% (70) of SCA's financial liabilities consists of several long bilateral loans with strong and well-established banks. These loans have been made possible thanks to SCA's climate value in the balance sheet and in the investment program. At December 31, 2025, the nominal amount of these loans was SEK 9,154m (9,919).

SEKm	Carrying amount	Fair value
Bilateral loans with maturities of less than 1 year	1,298	1,298
Bilateral loans with maturities between 1 and 5 years	5,496	5,496
Bilateral loans with maturities of more than 5 years	2,360	2,360
Total	**9,154**	**9,154**

Commercial paper program
SCA has a Swedish commercial paper program to the amount of SEK 5,000m (5,000), which can be utilized for short-term financing. At year-end, SEK 0m (0) was outstanding.

Credit facilities
SCA has a syndicated credit facility with the bank group of SEK 6,000m (6,000) to limit the refinancing risk and maintain a liquidity reserve. The facility was signed in November 2024 and matures in 2030, with a further extension option of one year. The syndicated credit facility was unutilized on December 31, 2025.

Maturity profile of interest-bearing loans



The average maturity of the interest-bearing loans, excluding lease liabilities, was 3.6 years (3.6). For a description of the methods used by SCA to manage its refinancing risk, refer to the risk section in the Board of Directors' Report.

Changes in liabilities from financial activities

SEKm	OB 2025	Cash flow (CF)	Reclassification from non-current to current liabilities	Revaluation	Other	CB 2025
Current financial liabilities	2,857	12	–1,025	-	–12	1,832
Non-current financial liabilities	11,107	174	1,025	-	-	12,306
Lease liabilities	606	–223	-	39	66	488
Derivatives	13	-	-	–2	-	11
Total liabilities from financing activities	**14,583**	**–37**	**-**	**37**	**54**	**14,637**

SEKm	OB 2024	Cash flow (CF)	Reclassification from non-current to current liabilities	Revaluation	Other	CB 2024
Current financial liabilities	1,740	–386	1,510	-	–7	2,857
Non-current financial liabilities	11,044	1,573	–1,510	-	-	11,107
Lease liabilities	600	–215	-	51	170	606
Derivatives	16	-	-	–3	-	13
Total liabilities from financing activities	**13,400**	**972**	**-**	**48**	**163**	**14,583**

E5 Liquidity risk

The table below shows the Group's liquidity risk regarding financial liabilities (including interest payments), and negative cash flows from gross settled derivatives. A description of how SCA manages its liquidity risk can be found in the risk section in the Board of Directors' Report.

Liquidity risk

SEKm	Less than 1 year	Between 1 and 5 years	More than 5 years
2025			
Loans including interests	1,677	10,164	3,306
Lease liability including interests	209	255	209
Net settled derivatives	-	11	1
Energy derivatives	2	-	-
Trade payables	2,537	2,043	-
Total	**4,425**	**12,473**	**3,516**
Gross settled derivatives[1)]	7,703		
2024			
Loans including interests	3,213	9,403	2,983
Lease liability including interests	232	355	239
Net settled derivatives	-	10	-
Energy derivatives	67	-	-
Trade payables	3,021	1,419	-
Total	**6,533**	**11,187**	**3,222**
Gross settled derivatives[1)]	10,031	3,133	-

[1)] The gross settled derivatives have, largely, corresponding positive cash flows and therefore in SCA's opinion do not constitute any real liquidity risk.

E6 Derivatives and hedge accounting

§ ACCOUNTING PRINCIPLES

Accounting for derivatives used for hedging purposes
All derivatives are initially and continuously recognized at fair value in the balance sheet. Fair value for currency options is determined using the Black-Scholes option pricing model. Gains and losses on remeasurement of derivatives used for hedging purposes are recognized as described below.

Cash flow hedges
Gains and losses on remeasurement of derivatives intended for cash flow hedging are recognized in equity under other comprehensive income and transferred to the income statement at the rate at which the hedged cash flow affects the income statement. For hedges of non-financial assets and liabilities, the result of the hedge is recognized at historical cost without a reclassification adjustment and therefore does not affect other comprehensive income. Cash flow hedges relating to energy affect the energy costs, that is, cost of goods sold. Transaction exposure's cash flow hedges affect consolidated net sales and expenses. Cash flow hedges relating to interest expenses affect net financial items.

When option contracts are used to hedge currency flows, the Group designates only the intrinsic value of the options as the hedging instrument. Gains or losses relating to the effective portion of the options are recognized within other comprehensive income in the hedge reserve within equity. The changes in the time value of the options that relate to the hedged item are recognized within other comprehensive income in the costs of hedging reserve within equity.

Financial hedges
When SCA conducts financial hedges and the transactions do not meet requirements for hedge accounting according to IFRS 9, changes in fair value of the hedging instrument are recognized directly in the income statement against the initial hedged item.

Outstanding derivatives

SEKm	Currency	Interest	Energy	Total
2025				
Nominal	7,504	2,584	93	10,181
Assets	222	24	20	266
Liability	6	11	2	19
2024				
Nominal	10,228	2,559	127	12,914
Assets	24	39	7	70
Liability	206	10	67	283

Offsetting of outstanding derivatives

SEKm	Assets	Liabilities
December 31, 2025[1)]		
Gross amount	267	19
Offsettable amount	-	-
Net amount recognized in the balance sheet	**267**	**19**
ISDA agreements whose transactions are not offset in the balance sheet[2)]	–13	–13
Net after offsetting in accordance with ISDA agreements	**254**	**6**
December 31, 2024[1)]		
Gross amount	71	284
Offsettable amount	–1	–1
Net amount recognized in the balance sheet	**70**	**283**
ISDA agreements whose transactions are not offset in the balance sheet[2)]	–71	–71
Net after offsetting in accordance with ISDA agreements	**–1**	**212**

[1)] Outstanding derivatives gross without consideration of the right of set-off in accordance with ISDA agreements.
[2)] ISDA entails framework agreements for financial transactions.

Balance sheet
SCA uses financial derivatives to manage risks in currency, interest rate and energy price. For a description of how SCA manages these risks, refer to the risk section in the Board of Directors' Report. The table above shows the derivatives that impacted the Group's balance sheet on December 31, 2025. For more information relating to derivatives in the balance sheet, refer to Note E1.

Income statement
Hedges pertaining to transaction exposure had an impact of SEK 460m (40) on operating profit for the period. The net market value amounted to SEK 117m (–134) on the balance sheet date. Currency hedges impacted the cost of non-current assets by SEK 45m (1). The net market value amounted to SEK –4m (–20) on the balance sheet date. The net market value for interest rate risk hedges amounted to SEK 13m (29). Interest rate derivatives impacted net interest items in an amount of SEK 6m (34).

Energy derivatives had an impact of SEK –41m (–9) on operating profit for the period. Energy derivatives had an outstanding market value of SEK 18m (–49) on the balance sheet date. For further information relating to net financial items, refer to Note E7.

Sensitivity analysis
SCA has performed sensitivity analyses on the financial instruments' risk exposure at December 31, 2025 using assumptions on market movements that are regarded as reasonably possible in one year's time. If the Swedish krona is unilaterally weakened/strengthened by 10% against all currencies, outstanding financial hedges, trade payables and trade receivables would decrease/increase profit before tax by SEK 369m (352). Financial hedges with maturities of more than one year would increase/decrease equity by SEK 0m (0).

For forward cover relating to the cost of non-current assets, a 10% increase/decrease in the strength of the Swedish krona would entail a decrease/increase in equity of SEK 26m (20).

If energy prices increase/decrease by 20%, outstanding financial hedges relating to electricity would decrease/increase energy costs by SEK 12m (1). In addition to the earnings impact, equity would increase/decrease by SEK 8m (9).

Outstanding derivatives with hedge accounting[1)]

SEKm	Assets	Liability	Net	Tax	Hedge reserve after tax
2025					
Derivatives with hedge accounting in hedge reserve					
Cash flow hedges:					
Energy risk	19	–1	18	–4	14
Currency risk	117	–4	113	–23	90
Interest rate risk	24	–11	13	–3	10
Total	**160**	**–16**	**144**	**–30**	**114**
2024					
Derivatives with hedge accounting in hedge reserve					
Cash flow hedges:					
Energy risk	7	–55	–48	10	–38
Currency risk	15	–170	–155	32	–123
Interest rate risk	39	–10	29	–6	23
Total	**61**	**–235**	**–174**	**36**	**–138**

[1)] Outstanding derivatives with hedge accounting are included in the table Outstanding derivatives on the previous page.

The results from fair value hedges are recognized directly in the income statement.

Hedge reserve in equity
Currency derivatives relating to hedging of transaction exposure mature in 2026. With unchanged exchange rates, profit after tax will be affected in an amount of SEK 93m (–107). Currency derivatives relating to hedging of the cost of non-current assets will mature during 2026. With unchanged exchange rates, the cost of non-current assets will change by SEK –3m (–16) after tax.

The derivatives intended to hedge energy costs in the Group have a maturity spread until the end of 2027. With unchanged prices, the Group's profit after tax will be affected in an amount of SEK 14m (–38).

E7 Financial income and expenses

Financial income and expenses[1)]

SEKm	2025	2024
Results from shares and participations in other companies		
Dividend	3	1
Interest income and similar profit items		
Interest income, investments	77	73
Other financial income	6	5
Total financial income (IS)	**86**	**79**
Results from shares and participations in other companies		
Impairment of participations	–72	-
Interest expenses and similar loss items		
Interest expenses, borrowing[2)]	–385	–521
Interest expenses, derivatives	0	2
Interest expenses, leases	–25	–29
Other financial expenses	–37	–37
Total financial expenses (IS)	**–519**	**–585**
Total	**–433**	**–506**

[1)] Other financial income and expenses include an exchange difference of SEK 28m (4).
[2)] Capitalized interest has reduced interest expenses by SEK 41m (19).

Sensitivity analysis
If interest rate levels had been 2 percentage points higher, with unchanged fixed-interest terms and net debt, interest expenses for the period would have been SEK 198m (160) higher. A sensitivity analysis has been performed on the risk to which SCA was exposed at December 31, 2025 using assumptions on market movements that are regarded as reasonable in one year's time. A description of how SCA manages its interest rate risk can be found in the risk section in the Board of Directors' Report.

E8 Equity

Equity totaled SEK 101,521m (104,035) at December 31, 2025. The following tables show the distribution and profit for the period.

	Equity attributable to owners of the Parent						
SEKm	Share capital	Other capital provided	Reserves[1]	Retained earnings	Total	Non-controlling interests	Total equity
Value January 1, 2025	**2,350**	**6,830**	**35,367**	**59,488**	**104,035**	**-**	**104,035**
Profit for the period recognized in the income statement (IS)	**-**	**-**	**-**	**3,205**	**3,205**	**0**	**3,205**
Other comprehensive income for the period							
Items that cannot be transferred to profit for the period							
Change of value land assets	-	-	–5,346	-	–5,346	-	–5,346
Revaluation of defined benefit pension plans[2]	-	-	-	744	744	-	744
Income tax attributable to components in other comprehensive income[3]	-	-	1,072	–153	919	-	919
Total	**-**	**-**	**–4,274**	**591**	**–3,683**	**-**	**–3,683**
Items that have been or may be reclassified subsequently to the income statement							
Cash flow hedges:							
Result from revaluation of derivatives recognized in equity	-	-	699	-	699	-	699
Transferred to the income statement for the period	-	-	–426	-	–426	-	–426
Hedge cost	-	-	0	-	0	-	0
Translation differences in foreign operations	-	-	–208	-	–208	-	–208
Tax on items recognized directly in/transferred from equity[3]	-	-	–47	-	–47	-	–47
Other comprehensive income for the period, net after tax	**-**	**-**	**–4,256**	**591**	**–3,665**	**-**	**–3,665**
Comprehensive income for the period (OCI)	**-**	**-**	**–4,256**	**3,796**	**–460**	**0**	**–460**
Transactions with owners							
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	45	-	45	-	45
Tax on cash flow hedge	-	-	–9	-	–9	-	–9
Capital contribution to non-controlling interests	-	-	-	-	0	17	17
Acquisition of non-controlling interests	-	-	-	-	0	-	0
Dividend[4]	-	-	-	–2,107	–2,107	-	–2,107
Value December 31 (BS)	**2,350**	**6,830**	**31,147**	**61,177**	**101,504**	**17**	**101,521**

[1] Revaluation reserve, hedge reserve, hedging cost and translation reserve are included in the reserves line in the balance sheet, see table E8:2.
[2] Including special payroll tax.
[3] For a specification of income tax attributable to components in other comprehensive income, see table E8:3.
[4] Dividend of SEK 3.00 per share and pertains to owners of the Parent. For the 2025 fiscal year, the Board has decided to propose a dividend of SEK 3.00 per share to the Annual General Meeting.

For further information regarding equity, see Parent Company Note PC13.

TABLE E8:1

Earnings per share

	2025	2024
Profit for the year attributable to owners of the Parent, SEKm	3,205	3,639
Profit for the year attributable to non-controlling interests, SEKm	0	-
Average number of shares, millions	702	702
Earnings per share, SEK – owners of the Parent	4.56	5.18

SEKm	Equity attributable to owners of the Parent						
	Share capital	Other capital provided	Reserves[1]	Retained earnings	Total	Non-controlling interests	Total equity
Value January 1, 2024	**2,350**	**6,830**	**37,494**	**57,610**	**104,284**	**-**	**104,284**
Profit for the period recognized in the income statement (IS)	**-**	**-**	**-**	**3,639**	**3,639**	**-**	**3,639**
Other comprehensive income for the period							
Items that cannot be transferred to profit for the period							
Change of value land assets	-	-	–2,376	-	–2,376	-	–2,376
Revaluation of defined benefit pension plans[2]	-	-	-	229	229	-	229
Income tax attributable to components in other comprehensive income[3]	-	-	500	–47	453	-	453
Total	**-**	**-**	**–1,876**	**182**	**–1,694**	**-**	**–1,694**
Items that have been or may be reclassified subsequently to the income statement							
Cash flow hedges:							
Result from revaluation of derivatives recognized in equity	-	-	–419	-	–419	-	–419
Transferred to the income statement for the period	-	-	–65	-	–65	-	–65
Hedge cost	-	-	12	-	12	-	12
Translation differences in foreign operations	-	-	125	-	125	-	125
Tax on items recognized directly in/transferred from equity[3]	-	-	97	-	97	-	97
Other comprehensive income for the period, net after tax	**-**	**-**	**–2,126**	**182**	**–1,944**	**-**	**–1,944**
Comprehensive income for the period (OCI)	**-**	**-**	**–2,126**	**3,821**	**1,695**	-	**1,695**
Transaction with owners							
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	–1	-	–1	-	–1
Tax on cash flow hedge	-	-	0	-	0	-	0
Acquisition of non-controlling interests	-	-	-	–12	–12	-	–12
Dividend[4]	-	-	-	–1,931	–1,931	-	–1,931
Value December 31 (BS)	**2,350**	**6,830**	**35,367**	**59,488**	**104,035**	**-**	**104,035**

[1] Revaluation reserve, hedge reserve, hedging cost and translation reserve are included in the reserves line in the balance sheet, see table E8:2.
[2] Including special payroll tax.
[3] For a specification of income tax attributable to components in other comprehensive income, see table E8:3.
[4] Dividend of SEK 2.75 per share and pertains to owners of the Parent.

For further information regarding equity, see Parent Company Note PC13.

TABLE E8:2

Equity, specification of reserves

	Revaluation reserve		Hedge reserve[1)]		Translation reserve	
SEKm	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Value January 1	**35,577**	**37,453**	**–147**	**229**	**–63**	**–188**
Revaluation of land assets	–5,346	–2,376		-		-
Cash flow hedges:						
Result from revaluation of derivatives recognized in equity	-	-	699	–419	-	-
Transferred to the income statement for the period	-	-	–426	–65	-	-
Hedge cost	-	-	0	12	-	-
Translation differences in foreign operations	-	-	-	-	–208	125
Tax on items recognized directly in/transferred from equity	1,072	500	–47	97	-	-
Other comprehensive income for the period, net after tax	**–4,274**	**–1,876**	**226**	**–375**	**–208**	**125**
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	45	–1	-	-
Tax on cash flow hedge	-	-	–9	0	-	-
Value December 31	**31,303**	**35,577**	**115**	**–147**	**–271**	**–63**

[1)] See also Note E6 for details of when profit or loss is expected to be recognized.

TABLE E8:3

Specification of income tax attributable to other comprehensive income for the period

	2025			2024		
SEKm	**Before tax**	**Tax effect**	**After tax**	**Before tax**	**Tax effect**	**After tax**
Revaluation of defined benefit pension plans	744	–153	591	229	–47	182
Cash flow hedges	273	–47	226	–484	97	–387
Hedge cost	0	-	0	12	-	12
Translation differences in foreign operations	–208	-	–208	125	-	125
Revaluation of land assets	–5,346	1,072	–4,274	–2,376	500	–1,876
Other comprehensive income for the period	**–4,537**	**872**	**–3,665**	**–2,494**	**550**	**–1,944**

At December 31, 2025, the debt/equity ratio amounted to 10.8% (10.5). Change in liabilities and equity is described in the Financial position section in the Board of Directors' Report. SCA aims to establish an effective capital structure, while at the same time ensuring long-term access to loan financing. Cash flow in relation to net debt, in accordance with definitions prevailing at any given time from Standard & Poor's, shall take into account the target to maintain a credit rating corresponding to investment grade rating. SCA has a credit rating for long-term debt of BBB from Standard & Poor's. SCA's financial risk management is described in the risk section of the Board of Directors' Report.

F Group structure

F1 Subsidiaries

List of major subsidiaries
The Group's participations in major subsidiaries at December 31, 2025 are presented below. The table shows wholly owned subsidiaries and subsidiaries with significant interests and controlling influence, with external and internal sales in excess of SEK 100m in 2025.

Company name	Corp. Reg. No.	Domicile	Share of voting power December 31, 2025	Share of voting power December 31, 2024
SCA Massa AB	556093-6733	Sundsvall, Sweden	100	100
SCA Munksund AB	556237-4859	Piteå, Sweden	100	100
SCA Obbola AB	556147-1003	Umeå, Sweden	100	100
SCA Skog AB	556048-2852	Sundsvall, Sweden	100	100
SCA Wood AB	556047-8512	Sundsvall, Sweden	100	100
SCA Wood Scandinavia AB	556302-0667	Sundsvall, Sweden	100	100
Gällö Timber AB	556801-1786	Bräcke, Sweden	100	100
SCA Metsad Eesti AS	10329729	Harjumaa, Estonia	100	100
SCA Products (UK) Ltd	1549728	Essex, United Kingdom	100	100
SCA Wood Hong Kong Ltd	1134245	Hong Kong, China	100	100

SCA Logistics GmbH, Germany, is included in SCA's consolidated financial accounts and uses the simplifications in Section 264 (3) HGB (Handelsgesetzbuch).

F2 Associated companies and joint ventures

§ ACCOUNTING PRINCIPLES

The Group's share of profit after tax arising in associated companies and joint ventures after the acquisition is recognized on the line "Result from participations in associated companies and joint ventures" in the consolidated income statement.

Shares in associated companies and joint ventures

	Associated companies		Joint ventures	
SEKm	2025	2024	2025	2024
Value January 1	**370**	**400**	**786**	**853**
Investments	-	-	71	45
Net change (IS)	–25	–34	20	–112
Impairment[1)]	–71	-	-	-
Translation differences	–5	4	-	-
Value December 31 (BS)	**269**	**370**	**877**	**786**

[1)] The impairment relates to Florencia S.A.S.

Company name	Corp. Reg. No.	Domicile	Share of equity, % 2025	Share of equity, % 2024	Carrying amount, SEKm 2025	Carrying amount, SEKm 2024
Associated companies						
Florencia S.A.S.	809 910 177	Rennes, France	38.5	38.5	245	345
Other					24	25
Total (BS)					**269**	**370**
Joint ventures						
Biorefinery Östrand AB	559111-7956	Sundsvall, Sweden	50	50	234	185
Scastone AB	559337-8788	Sundbyberg, Sweden	50	50	647	607
Other					–4	–6
Total (BS)					**877**	**786**

Significant holdings in associated companies and joint ventures, 100% of operations

	Associated companies		Joint ventures			
	Florencia S.A.S[1]		Biorefinery Östrand AB		Scastone AB[1] [2]	
SEKm	2025	2024	2025	2024	2025	2024
Profit/loss items						
Net sales	1,704	1,968	28	20	291	1,003
Operating loss	–49	–111	–43	–36	41	–207
Profit/loss for the period	–55	–102	–43	–36	79	–207
Summarized balance sheet						
Non-current assets	422	416	632	565	659	659
Current assets	824	1,063	80	62	1,048	1,018
Total assets	**1,246**	**1,479**	**712**	**627**	**1,707**	**1,677**
Equity	595	690	469	370	1,289	1,211
Non-current liabilities	279	348	231	184	400	0
Current liabilities	372	441	12	73	18	466
Total liabilities	**1,246**	**1,479**	**712**	**627**	**1,707**	**1,677**

[1] Income statement items LTM per November and balance sheet items per November.
[2] On December 31, 2024, an agreement for trading CTO (Crude Tall Oil), CFA (Crude Fatty Acid) and TOP (Tall Oil Pitch) for the Company expired, which had a negative impact on net sales between 2024 and 2025, without substantive impact on operating profit. The business continues to be conducted by realizing the entire value added of production through a rental agreement for its share of the production capacity in a biorefinery.

F3 Corporate acquisitions and divestments

§ ACCOUNTING PRINCIPLES

Acquisition of subsidiaries
SCA applies IFRS 3 Business Combinations in connection with acquisitions. A corporate acquisition can be classified as a business combination or an asset acquisition. If the acquired assets are not part of a business, the transaction is recognized as an asset acquisition. A corporate acquisition with the primary purpose of acquiring the Company's properties and where any of the Company's management organization and administration are of secondary importance for the acquisition, is classified as an asset acquisition. For an asset acquisition, no deferred tax is recognized attributable to the acquisition.

Acquisitions
No companies were acquired in 2025.

In 2024, SCA exercised its purchase option to acquire the remaining shares in Gällö Timber AB, and thereby acquired a 100% ownership stake in the company. The acquisition was completed in the second quarter of 2024. SCA also acquired the company Ortviken BESS AB.

Divestments
In 2025, SCA divested 49% of its holding in Ortviken BESS AB. SCA also liquidated one company in Germany and one in the Netherlands. SCA did not divest any companies in 2024.

G Other

G1 Assets held for sale

Assets held for sale

SEKm	2025	2024
Value January 1	**12**	**-**
Reclassifications	–12	18
Sales	-	–6
Value December 31 (BS)	**-**	**12**

Assets held for sale concerns machinery and equipment.

G2 Contingent liabilities, pledged assets and commitments

Contingent liabilities

SEKm	2025	2024
Guarantees for:		
subsidiaries	15	25
associated companies	5	5
customers and others	-	28
Other contingent liabilities	26	25
Total	**46**	**83**

Pledged assets
SCA had no liabilities for which assets were pledged as collateral, neither on December 31, 2025 nor the corresponding date of the preceding year. SCA holds no business mortgages.

Commitments
SCA has a decided investment in wind power projects totaling SEK 1,715m over a two-year period. As of December 31, 2025, SEK 145m (583) remained in contractual commitments of which SEK 9m (454) in trade payables. The commitments pertain entirely to non-current assets.

SCA has, through a wholly-owned subsidiary, pledged to repay liabilities that a joint venture has undertaken. As of December 31, 2025, SCA's obligation amounted to SEK 115m (94).

Pledged guarantees
As of December 31, 2025, SCA's pledged guarantees pertaining to forestry machines to subcontractors amounted to SEK 479m (452). In SCA's opinion, the pledged guarantees pose an insignificant risk and the value has therefore not been recognized as a contingent liability.

G3 Transactions with related parties

To the extent that transactions with related parties took place, these were based on generally accepted commercial terms and conditions including pricing in the industry, and were entered into on standard commercial conditions. In 2025, SCA sold for SEK 431m (318) to Uni4 Marketing AB, for SEK 3m (0) to Florencia S.A.S. and for goods and services to Biorefinery Östrand AB for approximately SEK 43m (73). In 2025, SCA purchased for SEK 716m (607) from Uni4 Marketing AB and for SEK 1m (3) from Florencia S.A.S.

For information regarding salaries and other remuneration, costs and obligations for pensions and similar benefits for the Board of Directors, President and CEO and other senior executives, refer to Notes C3–C5.

Otherwise, no transactions took place between SCA and related parties.

G4 Events after the end of the reporting period

No significant events took place after the close of the fiscal year.

Parent Company income statement (PIS)

SEKm	Note	2025	2024
Operating income			
Other operating income		393	408
Total income		**393**	**408**
Operating expenses			
Other operating expenses	PC1	–306	–281
Personnel costs	PC2	–77	–109
Depreciation/amortization	PC7	–108	–104
Total operating expenses		**–491**	**–494**
Operating loss		**–98**	**–86**
Financial items	PC11		
Result from participations in Group companies		800	-
Result from other securities and receivables		1	-
Interest income and similar profit items		626	908
Interest expenses and similar loss items		–538	–675
Total financial items		**889**	**233**
Profit after financial items		**791**	**147**
Appropriations	PC5	888	1,614
Profit before tax		**1,679**	**1,761**
Taxes	PC6	–168	–353
Profit for the year		**1,511**	**1,408**

Parent Company statement of comprehensive income (POCI)

SEKm	2025	2024
Profit for the year	1,511	1,408
Other comprehensive income	-	-
Total comprehensive income	**1,511**	**1,408**

Parent Company statement of change in equity (PEQ)

SEKm	Share capital[1)]	Revaluation reserve	Statutory reserve	Retained earnings and profit for the period	Total equity
Value January 1, 2025	**2,350**	**1,740**	**7,283**	**8,516**	**19,889**
Profit for the year	-	-	-	1,511	1,511
Dividend, SEK 3.00 per share	-	-	-	–2,107	–2,107
Value December 31, 2025	**2,350**	**1,740**	**7,283**	**7,920**	**19,293**

SEKm	Share capital[1)]	Revaluation reserve	Statutory reserve	Retained earnings and profit for the period	Total equity
Value January 1, 2024	**2,350**	**1,740**	**7,283**	**9,039**	**20,412**
Profit for the year	-	-	-	1,408	1,408
Dividend, SEK 2.75 per share	-	-	-	–1,931	–1,931
Value December 31, 2024	**2,350**	**1,740**	**7,283**	**8,516**	**19,889**

[1)] Refer also to Note PC13.

Parent Company balance sheet (PBS)

SEKm	Note	2025	2024
ASSETS			
Non-current assets			
Buildings, land and equipment	PC7	9,427	9,382
Tangible fixed assets		**9,427**	**9,382**
Participations in Group companies	PC8	9,604	9,604
Receivables from subsidiaries	PC9	2,601	2,438
Non-current financial assets	PC11	24	39
Other non-current receivables		87	72
Financial fixed assets		**12,316**	**12,153**
Total non-current assets		**21,743**	**21,535**
Current assets			
Receivables from subsidiaries	PC9	14,055	14,648
Current financial assets	PC11	1	1
Current tax assets	PC6	57	55
Other current receivables	PC10	348	146
Cash and bank balances	PC11	501	1,230
Total current assets		**14,962**	**16,080**
Total assets		**36,705**	**37,615**
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Share capital	PC13	2,350	2,350
Revaluation reserve		1,740	1,740
Statutory reserve		7,283	7,283
Total restricted equity		**11,373**	**11,373**
Retained earnings		6,409	7,108
Profit for the year		1,511	1,408
Total non-restricted equity		**7,920**	**8,516**
Total equity		**19,293**	**19,889**
Provisions			
Provisions for pensions	PC4	112	102
Provisions for taxes	PC6	1,672	1,675
Total provisions		**1,784**	**1,777**
Non-current liabilities			
Non-current financial liabilities	PC11	12,317	11,117
Liabilities to subsidiaries	PC9	6	0
Other non-current liabilities		0	0
Total non-current liabilities		**12,323**	**11,117**
Current liabilities			
Current financial liabilities	PC11	1,551	2,580
Liabilities to subsidiaries	PC9	1,685	1,880
Trade payables		1	4
Current tax liabilities	PC6	-	0
Other current liabilities	PC12	68	368
Total current liabilities		**3,305**	**4,832**
Total equity, provisions and liabilities		**36,705**	**37,615**

Parent Company cash flow statement (PCF)

SEKm	Note	2025	2024
Operating activities			
Profit after financial items		791	147
of which interest received		*626*	*908*
of which interest paid		*–495*	*–651*
Adjustment for non-cash items (PCF:1)		104	13
Paid tax	PC6	–173	–246
Cash flow from operating activities before changes in working capital		**722**	**–86**
Cash flow from changes in working capital			
Change in operating receivables		391	1,393
Change in operating liabilities		–498	–1,007
Cash flow from operating activities		**615**	**300**
Investing activities			
Acquisition of fixed assets	PC7	–169	–276
Acquisition of financial assets		–163	–111
Divestment of financial assets		0	4
Divestment of tangible fixed assets		33	71
Cash flow from investing activities		**–299**	**–312**
Financing activities			
Loans raised		2,750	2,637
Amortization of debt		–2,576	–1,461
Dividend		–2,107	–1,931
Group contributions	PC5	888	1,614
Cash flow from financing activities		**–1,045**	**859**
Cash flow for the period		**–729**	**847**
Cash and cash equivalents, January 1		1,230	383
Cash and cash equivalents, December 31		501	1,230

TABLE PCF:1

Adjustment for non-cash items

SEKm	2025	2024
Depreciation/amortization of fixed assets	108	104
Capital gain/loss on divestment of fixed assets	–17	–95
Unrealized exchange rate effects/changes in value of receivables and financial assets	0	0
Change in derivatives	–3	0
Change in provisions	10	4
Other items	6	0
Total	**104**	**13**

PC Parent Company notes

Amounts that are reconcilable to the income statement, balance sheet, comprehensive income, equity and cash flow statement and tables in notes are marked with the following symbols.

PIS Parent Company income statement.
POCI Parent Company statement of comprehensive income.
PEQ Parent Company statement of change in equity.
PBS Parent Company balance sheet.
PCF Parent Company cash flow statement.
XX:X Reference to table in note.

PC1 Other operating expenses

Auditing expenses

SEKm	2025	2024
EY		
Audit assignments	–8	–5
Auditing activities other than the audit assignment	–1	–5
Total	**–9**	**–10**

PC2 Personnel and Board costs

Personnel and Board costs

SEKm	2025	2024
Salaries and remuneration	–45	–72
of which Executive Management	*–36*	*–63*
of which Board	*–9*	*–9*
Pension costs[1)]	–13	–10
Other social security costs	–17	–26
Other personnel costs	–2	–1
Total	**–77**	**–109**

[1)] The Parent Company's pension costs pertain entirely to the President and CEO and other senior executives. Pension costs for 2024 were SEK 3m lower than stated in Note C3 due to a decrease in the value of the current pension liability to the President and CEO and other senior executives. The corresponding amount for 2025 was SEK 0m.

PC3 Personnel data

Average number of employees

	2025	2024
Average number of employees	10	11
of whom men	*7*	*8*
of whom women	*3*	*3*

PC4 Provisions for pensions

§ ACCOUNTING PRINCIPLES

The Parent Company's provisions for pensions are secured by the Pension Obligations Vesting Act (Tryggandelagen) and through capital insurance policies. The main difference between the rules of the Pension Obligations Vesting Act and IAS 19 Employee Benefits in respect of pensions is that Swedish practice disregards future increases in salaries and pensions when calculating the present value of the pension obligation. Both defined contribution and defined benefit plans exist in the Parent Company.

Capital value of pension obligations relating to self-administered pension plans

SEKm	2025	2024
Provisions in accordance with the Pension Obligations Vesting Act	31	29
Provisions outside the Pension Obligations Vesting Act's regulations	81	73
Total (PBS)	**112**	**102**

Of the total pension liability on the balance sheet date of SEK 112m, SEK 81m (73) is a direct pension liability, including special payroll tax, secured through capital insurance policies. The direct pension liability is not secured in accordance with the Pension Obligations Vesting Act. The capital insurance policies are reported as other non-current receivables in the balance sheet. For the remainder of the pension liability, external actuaries have carried out capital value calculations pursuant to the provisions of the Pension Obligations Vesting Act. The discount rate is 3.42% (3.26).

The Company's outstanding pension obligations as per the balance sheet on December 31, 2025 relate to the President and CEO and other senior executives.

For further information on the Parent Company's pension plans, see Note C3.

PC5 Appropriations

§ ACCOUNTING PRINCIPLES

For Group contributions, the Parent Company applies the alternative rule of RFR 2 Reporting by Legal Entities and recognizes Group contributions paid and received, net, as appropriations.

Appropriations

SEKm	2025	2024
Group contributions received from subsidiaries	2,304	3,093
Group contributions paid to subsidiaries	–1,416	–1,479
Total (PIS)	**888**	**1,614**

PC6 Taxes

§ ACCOUNTING PRINCIPLES

Tax pooling in the Group is carried out via Group contributions paid and received.

The Parent Company recognizes the majority of the Group's Swedish taxes.

Tax expense (+), tax income (–)

SEKm	2025	2024
Deferred tax (PC6:2)	–3	39
Current tax	171	314
Total (PIS)	**168**	**353**

TABLE PC6:1

Recognized and expected tax expense

	2025		2024	
Reconciliation	**SEKm**	**%**	**SEKm**	**%**
Profit before tax (PIS)	1,679		1,761	
Tax expense (PIS)	171	10.2	314	17.8
Expected tax expense	346	20.6	363	20.6
Difference	**–175**	**–10.4**	**–49**	**–2.8**
The difference is due to:				
Taxes related to prior periods	0	0.0	–2	–0.1
Other items	–175	–10.4	–47	–2.7
Total	**–175**	**–10.4**	**–49**	**–2.8**

Current tax liability (+), tax asset (–)

SEKm	2025	2024
Value January 1	**–55**	**–123**
Current tax expense	171	314
Paid tax	–173	–246
Value December 31 (PBS)	**–57**	**–55**

TABLE PC6:2

Deferred tax expense (+), tax income (–)

SEKm	2025	2024
Changes in temporary differences	–3	39
Total	**–3**	**39**

Provisions for deferred tax

SEKm	Value January 1	Deferred tax expense	Value December 31
Land and buildings	1,690	2	1,692
Provisions for pensions	–21	–2	–23
Other	6	–3	3
Total (PBS)	**1,675**	**–3**	**1,672**

PC7 Tangible fixed assets

§ ACCOUNTING PRINCIPLES

The Parent Company's tangible fixed assets are recognized in accordance with the Group's accounting principles. However, the Parent Company recognizes standing timber as a tangible fixed asset at historical cost. No systematic depreciation or changes in value in conjunction with harvesting is carried out in the Parent Company. Collective revaluation of forest assets has occurred. The revaluation amount was placed in the revaluation reserve in equity. For information on the Group, see Note D2.

Tangible fixed assets

	Buildings		Land and land improvements[1)]		Equipment		Total	
SEKm	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Accumulated cost	189	177	5,753	5,596	1	1	5,943	5,774
Accumulated depreciation	–150	–145	–1,745	–1,642	–1	–1	–1,896	–1,788
Accumulated write-ups	-	-	5,380	5,396	-	-	5,380	5,396
Residual value according to plan	**39**	**32**	**9,388**	**9,350**	**0**	**0**	**9,427**	**9,382**
Value January 1	**32**	**38**	**9,350**	**9,179**	**-**	**-**	**9,382**	**9,217**
Investments	12	-	157	276	-	-	169	276
Divestments and disposals	-	-	–16	–7	-	-	–16	–7
Depreciation for the period	–5	–6	–103	–98	-	-	–108	–104
Value December 31 (PBS)	**39**	**32**	**9,388**	**9,350**	**0**	**0**	**9,427**	**9,382**

[1)] Land and land improvements include the carrying amount of SEK 8,235m (8,245) for forest assets.

PC8 Participations in Group companies

§ ACCOUNTING PRINCIPLES

An assessment is carried out on an annual basis to determine if any impairment is needed in the item Participations in Group companies. Impairment is recognized in the item Result from participations in Group companies.

Impairment testing
Testing means the carrying amount of shares in subsidiaries is compared with consolidated equity. The annual impairment testing of the carrying amount of shares in subsidiaries has not resulted in any impairment.

Participations in Group companies

SEKm	2025	2024
Accumulated cost	9,604	9,604
Carrying amount	**9,604**	**9,604**
Value January 1	**9,604**	**9,604**
Investments	-	-
Value December 31 (PBS, PC8:1)	**9,604**	**9,604**

TABLE PC8:1

Parent Company's holdings of shares in subsidiaries, December 31, 2025

Company name	Corp. Reg. No.	Domicile	No. of shares	Share of equity, %	Carrying amount, SEKm
Swedish subsidiaries					
SCA Graphic Holding AB	556479-2058	Sundsvall, Sweden	1,000	100	9,604
SCA Skogsfastigheter AB	556207-6256	Sundsvall, Sweden	1,000	100	0
SCA Kraftfastigheter AB	556449-7237	Sundsvall, Sweden	1,000	100	0
Total carrying amount subsidiaries[1)]					**9,604**

[1)] Otherwise refer to Note F1 in the Group. The Note presents wholly owned subsidiaries and subsidiaries with significant interests and controlling influence with sales in excess of SEK 100m in 2025.

PC9 Receivables from and liabilities to subsidiaries

Receivables from and liabilities to subsidiaries

SEKm	2025	2024
Non-current assets		
Interest-bearing receivables	2,601	2,438
Other receivables	-	-
Total (PBS)	**2,601**	**2,438**
Current assets		
Interest-bearing receivables	11,720	11,235
Other receivables	2,335	3,413
Total (PBS)	**14,055**	**14,648**
Non-current liabilities		
Interest-bearing liabilities	-	-
Other liabilities	6	0
Total (PBS)	**6**	**0**
Current liabilities		
Interest-bearing liabilities	-	275
Other liabilities	1,685	1,605
Total (PBS)	**1,685**	**1,880**

PC10 Other current receivables

Other current receivables

SEKm	2025	2024
Prepaid expenses and accrued income (PC10:1)	86	94
Other receivables	262	52
Total (PBS)	**348**	**146**

TABLE PC10:1

Prepaid expenses and accrued income

SEKm	2025	2024
Prepaid financial expenses	82	91
Other items	4	3
Total	**86**	**94**

PC11 Financial instruments

§ ACCOUNTING PRINCIPLES

The accounting principles for financial instruments in the Parent Company are in accordance with the Group's accounting principles except that hedge accounting is not applied, see Note E1. Financial instruments are classified in accordance with IFRS 9 Financial Instruments.

Financial items

SEKm	2025	2024
Result from participations in Group companies		
Dividends received from subsidiaries	800	-
Result from other securities and receivables		
Dividends from shares and participations in other companies	1	-
Interest income and similar profit items		
Interest income, subsidiaries	615	895
Interest income, external	11	13
Interest expenses and similar loss items		
Interest expenses, external	–436	–532
Interest expenses, subsidiaries	–76	–118
Other financial expenses[1)]	–26	–25
Total (PIS)	**889**	**233**

[1)] The item includes exchange rate differences amounting to SEK 6m (4) net.

Financial assets

SEKm	2025	2024
Non-current financial assets		
Derivatives	24	39
Total (PBS)	**24**	**39**
Current financial assets		
Derivatives	1	1
Total (PBS)	**1**	**1**

Financial liabilities

SEKm	2025	2024
Non-current financial liabilities		
Non-current interest-bearing liabilities	12,306	11,107
Derivatives	11	10
Total (PBS)	**12,317**	**11,117**
Current financial liabilities		
Current interest-bearing liabilities	1,551	2,576
Derivatives	0	4
Total (PBS)	**1,551**	**2,580**

Interest-bearing liabilities
Non-current interest-bearing liabilities

	Carrying amount		Fair value	
SEKm	2025	2024	2025	2024
Loans with maturities between 1 and 5 years	9,296	8,465	9,269	8,381
Loans with maturities of more than 5 years	3,010	2,642	3,009	2,649
Total (PBS)	**12,306**	**11,107**	**12,278**	**11,030**

Current interest-bearing liabilities

	Carrying amount		Fair value	
SEKm	2025	2024	2025	2024
Loans with maturities <1 year	1,551	2,576	1,552	2,577
Total (PBS)	**1,551**	**2,576**	**1,552**	**2,577**

For further information about borrowing activities during the year, refer to Note E4.

Financial instruments by category
Financial assets measured at amortized cost

SEKm	2025	2024
Assets		
Financial fixed assets		
Receivables from subsidiaries	2,601	2,437
Interest-bearing receivables	81	73
Current assets		
Receivables from subsidiaries	11,720	11,235
Cash and bank balances (PBS)	501	1,230
Total	**14,903**	**14,975**

Financial liabilities measured at amortized cost

SEKm	2025	2024
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	12,306	11,107
Current liabilities		
Interest-bearing liabilities	1,551	2,576
Liabilities to subsidiaries	-	275
Trade payables	1	4
Other current liabilities	33	44
Total	**13,891**	**14,006**

Financial assets measured at fair value in the income statement

SEKm	2025	2024
Derivatives – Non-current financial assets	24	39
Derivatives – Current financial assets	1	1
Derivatives – Other long-term receivables	6	0
Derivatives – Other current receivables	243	300
Total	**274**	**340**

Financial liabilities measured at fair value in the income statement

SEKm	2025	2024
Derivatives – Non-current financial liabilities	11	10
Derivatives – Current financial liabilities	0	4
Derivatives – Other non-current liabilities	6	0
Derivatives – Other current liabilities	243	300
Total	**260**	**314**

PC12 Other current liabilities

Other current liabilities

SEKm	2025	2024
Accrued expenses and prepaid income (PC12:1)	57	95
Other operating liabilities	11	273
Total (PBS)	**68**	**368**

TABLE PC12:1

Accrued expenses and prepaid income

SEKm	2025	2024
Accrued interest expenses	33	44
Accrued social security costs	5	11
Accrued vacation pay liability	3	3
Other liabilities to personnel	3	22
Other items	13	15
Total	**57**	**95**

PC13 Share capital

The change in equity is shown in the Parent Company statement of change in equity. The share capital and number of shares have changed since 1993 on account of new issues, new subscription, conversions, splits, and the cancellation of own shares as set out below:

Year	Event	No. of shares	Increase in share capital	Cash payment, SEKm
1993	Number of shares January 1, 1993	172,303,839		
1993	Conversion of debentures and new subscription through Series 1 warrants	4,030,286	40.3	119.1
	New issue 1:10, issue price SEK 80	17,633,412	176.3	1,410.7
1994	Conversion of debentures	16,285	0.2	-
1995	Conversion of debentures	3,416,113	34.2	-
1999	New issue 1:6, issue price SEK 140	32,899,989	329.0	4,579.0
2000	Conversion of debentures	101,631	1.0	15.0
2001	New issue, private placement	1,800,000	18.0	18.0
2002	New subscription through IIB warrants	513	-	0.1
2003	Conversion of debentures	1,127,792	11.3	288.4
	New subscription through IIB warrants	1,697,683	17.0	434.5
2004	Conversion of debentures	9,155	0.1	1.1
2007	Split 3:1	470,073,396	-	-
2017	Cancellation of own shares	–2,767,605	-	-
2025	**Number of shares, December 31, 2025**	**702,342,489**		

SCA's share capital, December 31, 2025

	No. of votes per share	No. of shares	Share capital, SEKm
Class A shares	10	61,866,430	207
Class B shares	1	640,476,059	2,143
Total		**702,342,489**	**2,350**

The quotient value of the Parent Company's shares amounts to SEK 3.35. At the request of shareholders, 1,833,877 Class A shares were converted to Class B shares in 2025.

PC14 Contingent liabilities, pledged assets and guarantees

Contingent liabilities

SEKm	2025	2024
Guarantees for:		
subsidiaries	650	1,552
associated companies	175	250
Other contingent liabilities	2	2
Total	**827**	**1,804**

Pledged assets

SEKm	2025	2024
Pledged assets for subsidiaries	0	0
Total	**0**	**0**

Pledged guarantees

As of December 31, 2025, SCA's pledged guarantees pertaining to forestry machines to subcontractors amounted to SEK 479m (452). In SCA's assessment, the pledged guarantees pose an insignificant risk and the value has therefore not been recognized as a contingent liability.

PC15 Proposed disposition of earnings

Annual accounts 2025
Disposition of earnings, Parent Company (SEK)

Non-restricted equity in the Parent Company:	
Retained earnings	6,409,010,682
Repayment of previous dividend	141,790
Profit for the period	1,510,956,642
Total	**7,920,109,114**

The Board of Directors and the President and CEO propose:	
– to be distributed to shareholders, a dividend of SEK 3.00 per share	2,107,027,467
– to be carried forward	5,813,081,647
Total	**7,920,109,114**

The annual accounts are subject to adoption by SCA's Annual General Meeting and will be presented for approval at the Annual General Meeting on March 27, 2026.

Signatures

The Board's assessment is that the dividend to shareholders in the proposed amount, in accordance with Note PC15, is justifiable taking into account the requirements, on both the Company and the Group, the nature of the business, its scope and risks place on the size of equity and also considering consolidation requirements, liquidity and other status. The financial position remains good after the proposed dividend and is considered sufficient to ensure that the Company can fulfill its short or long-term obligations, and has the opportunity to make any necessary investments.

The Annual Report and the consolidated financial statements have been signed and approved for publication by the Board of Directors on February 26, 2026. The Group's income statement and balance sheet and the Parent Company's income statement and balance sheet will be presented for approval at the Annual General Meeting on March 27, 2026.

The Board of Directors and President and CEO declare that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards adopted by the EU and that disclosures herein give a true and fair view of the Group's financial position and results of operations. The Parent Company's financial statements have been prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and results of operations. The statutory Board of Directors' Report provides a fair review of the Parent Company's and Group's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Furthermore, the Board of Directors and President and CEO declare that the annual and consolidated financial statements have been prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the specifications adopted under Article 8(4) of the EU Taxonomy Regulation.

Sundsvall, February 26, 2026

Helena Stjernholm
Chairman of the Board

Niclas Andersson
Board member,
appointed by the employees

Åsa Bergman
Board member

Roger Boström
Board member,
appointed by the employees

Lennart Evrell
Board member

Annemarie Gardshol
Board member

Carina Håkansson
Board member

Maria Jonsson
Board member,
appointed by the employees

Martin Lindqvist
Board member

Anders Sundström
Board member

Barbara Milian Thoralfsson
Board member

Ulf Larsson
President and CEO,
and Board member

Our audit report was issued on March 2, 2026
Our limited assurance report regarding the statutory sustainability statement was issued on March 2, 2026

Ernst & Young AB

Fredrik Norrman
Authorized Public Accountant
Auditor in charge

This is a translation from the Swedish original.

Auditor's report

To the general meeting of the shareholders of Svenska Cellulosa Aktiebolaget SCA (publ), corporate identity number 556012-6293.

Report on the annual accounts and consolidated accounts

Opinions
We have audited the annual accounts and consolidated accounts of Svenska Cellulosa Aktiebolaget SCA (publ) for the year 2025 except for the corporate governance statement on pages 84–95 and the Sustainability Statement defined on pages 96–163. The annual accounts and consolidated accounts of the Company are included on pages 69–216 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2025 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 84–95 and the Sustainability Statement on page 96–163. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions
We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited Company or, where applicable, its Parent Company or its controlled companies within the EU.

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

Key Audit Matters
Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statement.

Forest valuation

Description	How our audit addressed this key audit matter
The Group values its forest assets at fair value in accordance with IAS 16 Property, Plant and Equipment and IAS 41 Agriculture. The Group's forest assets are divided into biological assets where the change in value is recognized as operating profit in accordance with IAS 41 and into land assets accounted for with the revaluation model and where the change in value is reported as other comprehensive income in accordance with IAS 16. The fair value of the Group's total forest assets is determined based on transactions in the areas where SCA owns forest land and the calculated standing timber volumes, to then be split based on discounted cash flows. The valuation is classified as level 3 in accordance with IFRS 13 Fair Value Measurement. A description of the valuation of forest assets and important assumptions are presented in Note D3. As of December 31, 2025, the forest (biological assets) has been disclosed at a value of SEK 62,230 million and land assets at a value of SEK 41,536 million, totaling SEK 103,766 million which is 71% of the Group's total assets. The valuation process is complex as it requires judgement and assumptions in terms of market statistics, timber volumes and the future discounted cash flows determining the split between land- and biological assets. Significant judgments and assumptions include the validity of market statistics and period, calculated timber volumes, discount rates and cash flows. Based on the above, we consider that the valuation of the Group's forest assets to be a Key Audit Matter.	Our audit procedures have included, among others, the following audit procedures: • Reviewed and audited the Group's process and method for valuating forest assets and the splitting of total fair value between land- and biological assets. • Reviewed the third-party suppliers of market statistics and its areas and period. • With support from external specialist, reviewed and audited the calculation of timber volumes. • For the split between land- and biological assets we have, together with our valuation experts, further: ◦ Reviewed the discount rate. ◦ Assessed the judgement applied in the cash flow models such as what costs and income are included and the assumed inflation rate. ◦ Reviewed the indata in the cash flow models against accounting records and supporting evidence. For the input in the model based on forecasts, we have assessed the reasonability in applied judgement and in order to assess the reliability of previous forecasts by comparing to historical outcome. • Assessed the Group's sensitivity analysis and computed our own sensitivity analysis. Finally, we have assessed whether related disclosures are appropriate.

Other Information than the annual accounts and consolidated accounts
This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–69 and 223–227. The remuneration report for the financial year 2025 also constitutes other information. It is the Board of Directors and the CEO who are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the CEO
The Board of Directors and the CEO are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the CEO are responsible for the assessment of the Company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the CEO intends to liquidate the Company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the Company's financial reporting process.

Auditor's responsibility
Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company and a Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, measures taken to eliminate the threats or countermeasures that have been taken.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the Company's profit or loss

Opinions
In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Svenska Cellulosa Aktiebolaget SCA (publ) for the year 2025 and the proposed appropriations of the Company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions
We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the CEO
The Board of Directors is responsible for the proposal for appropriations of the Company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the Company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the Company's organization and the administration of the Company's affairs. This includes among other things continuous assessment of the Company's and the Group's financial situation and ensuring that the Company's organization is designed so that the accounting, management of assets and the Company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the Company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility
Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the Company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the Company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the Company, or that the proposed appropriations of the Company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the Company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the Company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the Company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion
In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Svenska Cellulosa Aktiebolaget SCA AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion
We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Svenska Cellulosa Aktiebolaget SCA AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the CEO
The Board of Directors and the CEO are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the CEO determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or

Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the CEO, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the CEO.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 84–95 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevR 16 The auditor´s examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with Chapter 6, Section 6 the second paragraph points 2–6 of the Annual Accounts Act and Chapter 7, Section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 2, 2026

Ernst & Young AB

Fredrik Norrman
Authorized Public Accountant

This is a translation from the Swedish original.

Limited assurance report on the Sustainability Statement

Auditor's limited assurance report on Svenska Cellulosa Aktiebolaget SCA's Sustainability Statement

To the General Meeting of the shareholders Svenska Cellulosa Aktiebolaget SCA, corporate identity number 556012-6293.

Conclusion
We have conducted a limited assurance engagement of the Sustainability Statement prepared by Svenska Cellulosa Aktiebolaget SCA (the Company) for the financial year 2025. The Sustainability Statement is included on pages 96–163 of this document.

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 Sustainability Statement is not, in all material respects, prepared in accordance with the Swedish Annual Accounts Act, which includes:

- Whether the Sustainability Statement meets the requirements of ESRS;
- Whether the process carried out by the Company to identify reported sustainability information has been conducted as described in the Sustainability Statement; and
- Compliance with the reporting requirements in Article 8 of the EU's Green Taxonomy Regulation.

Basis for Conclusion
We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 – *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. Our responsibility under this recommendation is described in more detail 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.

Other Information than the Sustainability Statement
This document also contains other information than the Sustainability Statement, found on pages 1–95, 164–215 and 223–227. The Board of Directors and the CEO are responsible for this other information.

Our conclusion on the Sustainability Statement does not cover this other information, and we do not express any conclusion with assurance regarding this other information.

In connection with our limited assurance engagement on the Sustainability Statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the Sustainability Statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

If we based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter
The disclosures in the Sustainability Statement regarding the previous financial year have, in certain cases, been subject to a limited assurance engagement in accordance with *ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information* in accordance with the assurance report issued March 3, 2025. Other comparative figures in the Sustainability Statement for the year 2025 have not been subject to a review.

Responsibilities of the Board of directors and Managing Director
The Board of Directors, and the Managing Director, are responsible for the preparation of Sustainability Statement in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of the Sustainability Statement that is free from material misstatements, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion whether the Sustainability Statement is prepared in accordance with Chapter 6, Sections 12–12 f of the Swedish Annual Accounts Act based on our limited assurance engagement.

The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 *Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten*. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the Sustainability Statement is prepared in accordance with these requirements.

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 manage a quality management system including guidelines or procedures regarding compliance with ethical requirements, standards of professional practice, and applicable laws and regulations.

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

A limited assurance engagement involves performing procedures to obtain evidence to support the sustainability information. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the Sustainability Statement, 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 Sustainability Statement, 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 Sustainability Statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:
Our review procedures regarding the process the Company has undertaken to identify sustainability information to report included, but were not limited to the following:

- Obtaining an understanding of the process by conducting inquiries to understand the sources of the information used by management (e.g., stakeholder dialogues, business plans, and strategy documents), and
- Reviewing the Company's internal documentation of its process; and
- Evaluating whether the information obtained from our procedures regarding the process implemented by the Company aligns with the description of the process on pages 115–116 in the Sustainability Statement.

Our review procedures regarding the Sustainability Statement included, but were not limited to the following:

- Through inquiries, obtaining a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the Sustainability Statement;
- Evaluating whether information identified as material through the process the Company has undertaken to identify the content of the Sustainability Statement is also included.
- Evaluating whether the structure and presentation of the Sustainability Statement are consistent with the requirements of ESRS;
- Conducting inquiries with relevant personnel and analytical review procedures regarding selected disclosures in the Sustainability Statement;
- Performing substantive review procedures of selected disclosures in the Sustainability Statement;
- Obtain, through inquiries and analytical review procedures, support for the methods used for preparing material estimates and forward-looking information and on how these methods were applied.

Our review procedures regarding the taxonomy disclosures included, but were not limited to the following:

- Obtaining an understanding of the process for identifying economic activities that are covered by and are consistent with the EU Green Taxonomy and the corresponding disclosures in the Sustainability Statement;
- Conducting inquiries to relevant personnel and analytical review procedures on the taxonomy disclosures;
- Conducting inquiries to understand the sources of the information used in the taxonomy disclosures;
- Evaluating whether the presentation of the taxonomy disclosures is consistent with the requirements of the EU Taxonomy Regulation;
- Performing substantive review procedures of selected disclosures in the Sustainability Statement regarding the EU Green Taxonomy.

Inherent limitations
In reporting forward-looking information in accordance with ESRS, the board and management of Svenska Cellulosa Aktiebolaget SCA must prepare forward-looking information based on specified assumptions about events that may occur in the future and possible future activities of Svenska Cellulosa Aktiebolaget SCA. Actual outcomes are likely to differ as expected often do not occur as anticipated.

Stockholm, March 2, 2026

Ernst & Young AB

Fredrik Norrman
Authorized Public Accountant

Multi-year summary

SEKm	2025	2024	2023	2022	2021	2020	2019
INCOME STATEMENT							
Net sales	20,427	20,232	18,081	20,794	18,822	18,410	19,591
EBITDA	**6,564**	**7,143**	**6,807**	**10,194**	**9,109**	**4,440[1)]**	**5,319[2)]**
Forest	3,788	3,531	3,511	2,602	2,601	2,213	1,740
Wood	856	927	550	1,945	2,895	657	789
Pulp	752	1,680	1,213	2,883	2,010	614	983
Containerboard	1,111	932	1,212	2,792	1,708	1,190	2,064
Renewable Energy	442	451	690	355	248	-	-
Other	–385	–378	–369	–383	–353	–234[1)]	–257[2)]
Depreciation	–2,132	–2,116	–1,950	–1,552	–1,475	–1,601[1)]	–1,616[2)]
Operating profit	**4,432**	**5,027**	**4,857**	**8,642**	**7,634**	**2,839[1)]**	**3,703[2)]**
Financial items	–433	–506	–414	–39	–107	–117	–126
Profit before tax	**3,999**	**4,521**	**4,443**	**8,603**	**7,527**	**2,722[1)]**	**3,577[2)]**
Income taxes	–794	–882	–818	–1,782	–1,426	–483[1)]	–730[2)]
Profit for the period	**3,205**	**3,639**	**3,625**	**6,821**	**6,101**	**2,239[1)]**	**2,847[2)]**
BALANCE SHEET							
Forest assets	103,766	107,329	107,481	97,882	84,497	74,900	69,682
Intangible and other tangible fixed assets	26,694	26,837	26,613	26,091	22,877	19,690	19,237
Working capital	5,344	4,768	4,321	4,138	2,823	2,759	3,748
Current tax and deferred tax	–24,002	–24,267	–24,233	–22,315	–19,130	–16,646	–15,672
Other capital employed	658	253	868	551	–260	–869	112
Capital employed	**112,460**	**114,920**	**115,050**	**106,347**	**90,807**	**79,834**	**77,107**
Equity	101,521	104,035	104,284	96,358	83,055	72,163	68,510
Net debt	10,939	10,885	10,766	9,989	7,752	7,671	8,597
Capital employed	**112,460**	**114,920**	**115,050**	**106,347**	**90,807**	**79,834**	**77,107**
CASH FLOW STATEMENT							
Operating cash flow	3,078	3,187	2,985	5,685	5,216	2,688	2,922
Cash flow before dividend	1,247	1,578	585	–320	876	723	145
Current capital expenditures, net	–1,398[3)]	–1,109	–1,603	–1,436	–1,236	–1,224	–1,132
Strategic capital expenditures in non-current assets	–1,273	–689	–1,510	–4,351	–3,723	–1,414	–1,256
FINANCIAL KEY FIGURES							
EBITDA margin	32.1%	35.3%	37.6%	49.0%	48.4%	24.1%[1)]	27.2%[2)]
Operating margin	21.7%	24.8%	26.9%	41.6%	40.6%	15.4%[1)]	18.9%[2)]
Industrial return on capital employed	4.4%	7.3%	7.3%	40.1%	33.0%	5.4%[1)]	11.9%
Return on capital employed	3.8%	4.4%	4.5%	8.9%	9.0%	3.6%[1)]	6.9%[2)]
Net debt/EBITDA	1.7x	1.5x	1.6x	1.0x	0.9x	1.7x[1)]	1.6x[2)]
Debt/equity ratio	10.8%	10.5%	10.3%	10.4%	9.3%	10.6%	12.5%
Data per share							
Earnings per share, SEK	4.56	5.18	5.23	9.61	8.69	3.19[1)]	4.05[2)]
Dividend per share, SEK	3.00[4)]	3.00	2.75	2.50	3.25	2.00	0.00
NON-FINANCIAL KEY FIGURES							
Credit rating	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade
Climate benefit, million t CO_2e[5)]	12.0	12.3	12.8 (9.1)	10.1	10.5	9.6	10.5
Fossil emissions in the value chain (Scope 1–3), million t CO_2e[6)]	0.98	0.97 (0.93)	(0.82)	(0.80)	(0.79)	(0.96)	1.12 (1.09)
Wood raw material from responsibly managed forests, percentage of chain of custody certified wood raw material (minimum FSC Controlled Wood)	100%	100%	100%	100%	100%	100%	100%
Wood raw material used, million m^3 sub	11.0	10.9	10.3	10.4	10.7	11.3	11.2
Share of women in the Group, as of December 31 of each year	25%	24%	24%	23%	22%	21%	19%
Workplace accident frequency rate, TRI per million hours worked[7)]	10.0 (3.9)	3.1	4.3	3.1	5.8	5.6	7.4

1) Excluding the effect of one-off items related to the discontinuation of publication paper operations.
2) Excluding the effect of one-off items related to the impact of the changed accounting method for the valuation of forest assets.
3) SEK –89m from new, remeasured and terminated leases.
4) Board of Directors' proposal.
5) Change of model in 2023. Based on the components of ISO 13391 for 2025, for 2024 FDIS 13991 and for 2023 Skogsforsk report 1187-2024, all of which are based on the same model, and prior to this a model published by SCA in 2019, Holmgren and Kolar.
6) Transition to gross emissions reporting as of 2024. Net emissions presented in brackets.
7) Total Recordable Incidents, TRI. Transition to TRI as of 2025. Previous years refer to Lost Time Accidents, LTA, per million hours worked.

Definitions and glossary

Financial terms

Performance measures

EBITDA
Profit before depreciation, amortization and impairment, financial items and taxes.

EBITDA margin
Profit before depreciation, amortization and impairment, financial items and taxes as a percentage of net sales for the year. The definition is used at Group and segment level except for Renewable Energy where the EBITDA margin is calculated as a percentage of revenue.

EBITDA excluding the revaluation of biological assets
Profit before depreciation, amortization, impairment, financial items and taxes excluding the revaluation of biological assets.

Operating margin
Operating profit as a percentage of net sales for the year. The definition is used at Group and segment level for all segments except for Renewable Energy where the operating margin is calculated as operating profit as a percentage of revenue.

Capital measures

Capital employed
Calculated as the balance sheet's total assets excluding financial assets and pension assets, less non-interest-bearing liabilities.

Working capital
Working capital is calculated as current operating receivables (inventories, trade receivables and other non-interest-bearing current receivables) less current operating liabilities (trade payables excluding those that concern strategic capital expenditures, other non-interest-bearing current liabilities as well as other current provisions).

Net debt
Financial liabilities and provisions for pensions with deductions for financial assets (surplus in funded pension plans, financial assets and cash and cash equivalents).

Debt/equity ratio
Net debt in relation to equity.

Net debt/EBITDA
Net debt in relation to 12-month rolling (LTM) EBITDA. In the Annual Report, LTM is the fiscal year.

Profitability ratios

Return on capital employed
Return on capital employed is calculated as 12-month rolling operating profit as a percentage of average capital employed for the five most recent quarters. The corresponding key figure for a single quarter is calculated as operating profit for the quarter multiplied by four as a percentage of average capital employed for the two most recent quarters. One-off items are excluded. Industrial segments only use industrial ROCE.

Industrial return on capital employed
Calculated as the Group's return on capital employed, excluding operating profit and capital employed from the Forest operating segment, operations in the wind power area and a share of Other operations. Strategic capital expenditures in industry that have not begun operating and one-off items are excluded. This measure applies to the Wood, Pulp and Containerboard segments.

One-off items
Material transactions lacking a clear connection to the ordinary operations, and which are not expected to occur regularly. This measure is excluded in the calculation of return on capital employed.

Cash flow performance measures

Operating cash flow
The sum of operating cash surplus and change in working capital, with deductions for current capital expenditure and restructuring costs.

Cash flow from current operations
Operating cash flow less net financial items and tax payments and taking into account other financial cash flow.

Strategic capital expenditures in non-current assets
Investments aimed at increasing the Company's future cash flow through acquisitions of companies, capital expenditures to expand facilities, or new technologies that boost competitiveness.

Current capital expenditures, net
Investments made to maintain competitiveness, and include maintenance, rationalization and replacement measures or investments of an environmental nature, with deductions for compensation from divested non-current assets, aimed at preserving the value of assets.

Operating cash surplus
EBITDA with deductions for capital gains and losses from tangible and intangible assets, the reversal of the result of participations in associated companies and joint ventures (JV) and the result of the revaluation of biological assets.

Glossary

CTMP Chemi-thermomechanical pulp is a high-yield pulp produced through heating and mechanical defibration in a refiner of preheated, chemically pre-treated softwood.

FSC (Forest Stewardship Council) is an international organization promoting responsible forest management. The FSC has developed principles for responsible forestry that can be applied for certifying forest management and that facilitate FSC labeling of wood products from FSC-certified forests.

FSC Controlled wood is a regulation to avoid purchasing products, for example timber, from unacceptable sources.

Climate benefit describes the Company's total climate effect in millions of tonnes of carbon dioxide equivalents and is calculated on the basis of components of the global standard ISO 13391. The model comprises forest net uptake of CO_2, the products' contribution when they store carbon and replace fossil materials and fossil emissions from the value chain.

Kraftliner is the surface layer of corrugated board based on fresh wood fiber.

m³sub (solid cubic meter under bark) specifies the volume of timber excluding bark and tops. Used in harvesting and the timber trade. 1 m³sub equals about 1.22 m³fo.

m³fo (forest cubic meter) specifies the volume of timber including tops and bark, but excluding branches. Used to describe the forest holding of standing timber. Growth is also specified in forest cubic meters. 1 m³fo equals about 0.82 m³sub.

PEFC (Programme for the Endorsement of Forest Certification) is an international forest certification system.

Productive forest land is land with a production capacity that exceeds an average of one cubic meter of forest per hectare annually.

NBSK is bleached softwood kraft pulp manufactured by boiling wood fiber with chemicals.

Solid wood products refers to timber sawn into various sizes for use in, for example, furniture manufacturing, joinery or construction.

Wood raw material relates to fresh wood fiber used in solid wood products, pulp and paper products.

Forest raw material includes all raw material that come from the forest and is used for industrial or commercial purposes. Except wood raw material, this also includes for example wood fuels, branches and tops.

About the Annual General Meeting

The Annual General Meeting (AGM) of Svenska Cellulosa Aktiebolaget SCA will be held on Friday, March 27, 2026, at 1:00 p.m. at Clarion Hotel Sundsvall, Skepparegatan 9 in Sundsvall, Sweden. Registration for the AGM will start at 11:30 a.m.

The shareholders also have the opportunity to exercise their voting rights by postal voting prior to the Meeting.

Right to participate and notice of participation at the meeting venue

Shareholders who wish to participate in the AGM at the meeting venue in person or by proxy must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Thursday, March 19, 2026, and give notice by Monday, March 23, 2026.

Notification may be given in any of the following manners:

- On the Company's website www.sca.com
- By telephone at +46 60 19 33 00, weekdays between 9:00 a.m. and 4:00 p.m.
- By mail to Svenska Cellulosa Aktiebolaget SCA, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm.
- by e-mail to GeneralMeetingService@euroclear.com

Notification must include name, personal or corporate identification number, address, telephone number and number of any assistants (not more than two).

Shareholders represented by proxy shall issue a written, signed and dated power of attorney for the proxy. Proxy forms in Swedish and English are available on the Company's website www.sca.com and also upon request. A power of attorney is valid for one (1) year from its issue date or such longer time period as set out in the in the power of attorney, however not more than five (5) years. The representative of a legal person must provide a copy of a registration certificate or corresponding authorization document listing the authorized signatories. In order to facilitate the registration at the Meeting, the power of attorney, the registration certificate and other authorization documents should be sent to the Company at the address stated above, well in advance of the Meeting and not later than Monday, March 23, 2026.

Right to participate and notice by postal voting

Shareholders who wish to participate in the AGM by postal voting must be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB as of Thursday, March 19, 2026, and give notice of their participation by submitting their postal votes in accordance with the instructions below so that the postal vote is received by Euroclear Sweden AB by Monday, March 23, 2026.

A person who wishes to attend the meeting venue in person or by proxy must give notice of this in accordance with the instructions under the heading "Right to participate and notice of participation at the meeting venue." Hence, notice of participation only through postal voting is not sufficient for a person who wishes to attend the meeting venue.

A special form must be used for postal vote. The form is available on the Company's website www.sca.com and is considered as notice to participate in the AGM.

In order to be considered, the completed and signed form must be received by Euroclear Sweden AB no later than Monday, March 23, 2026 and sent by post to Svenska Cellulosa Aktiebolaget SCA, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden, or by e-mail to GeneralMeetingService@euroclear.com. Shareholders may also cast their votes electronically through verification with BankID via Euroclear Sweden AB's website https://www.euroclear.com/sweden/generalmeetings/. To be considered, such electronic votes must be submitted no later than Monday, March 23, 2026.

If the shareholder submits its postal vote by proxy, a written, signed and dated power of attorney must be attached to the postal voting form. Proxy forms in Swedish and English are available on the Company's website www.sca.com and also upon request. A power of attorney is valid for one (1) year from its issue or such longer time period as set out in the power of attorney, however not more than five (5) years. If the shareholder is a legal person, a registration certificate or corresponding authorization document must be attached to the form, listing the authorized signatories.

The shareholder may not provide specific instructions or conditions to the postal vote. If so, the postal vote in its entirety is invalid. Further instructions and conditions can be found in the postal voting form.

Nominee registered shares

In order to be entitled to participate in the AGM, in person, by proxy or through postal voting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the AGM, register its shares in its own names so that the shareholder is listed in the presentation of the share register as of Thursday, March 19, 2026. Such re-registration may be temporary and made to the nominee in accordance with the nominee's routines as such a time in advance as decided by the nominee. Voting rights registration that has been made by the nominee no later than Monday, March 23, 2026, will be taken into account in the presentation of the share register.

The notice convening the AGM can be found on the Company's website www.sca.com.

Addresses

Headquarters
Svenska Cellulosa Aktiebolaget SCA (publ)

Corp. Reg. No.:	556012-6293	Telephone:	+46 60 19 30 00
Postal address:	SE-851 88 Sundsvall, Sweden	E-mail:	info@sca.com
Street address:	Skepparplatsen 1	Website:	sca.com

For details about contact persons, refer to sca.com

Production: SCA in collaboration with Hallvarsson & Halvarsson.
Photos: Mattias Andersson, Torbjörn Bergkvist, Daniel Bernstål, Michael Engman, Per Helander, Olle Melkerhed, Henke Olofsson, Per Simonsson, Håkan Sjödin, Amanda Sjökvist, Per-Anders Sjöquist och Voith Group.
Illustrations: Robin Franzén, Martin Holmer, Nadja Nörbom och FMCA (3D-rendering).
Paper: Insert – Munken Polar 100 g/m². Cover – Munken Polar Laminated 300 g/m².
Printing: Larsson Offsettryck AB, 2026

NORDIC SWAN ECOLABEL
Printed matter
3041 0298

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C104421