Monitoring and evaluation of our forestry operations

SCA Skog, 2025

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Introduction

In line with the requirements of the Swedish FSC® standard for forest management, SCA Skog continuously monitors and assesses the outcome of operations, to steer toward our targets and improve. SCA Skog has a long tradition of working with quality assurance of measures taken and of working practices, which over time has created a model for following-up forestry measures at several stages of a process.

Our model for following-up measures taken includes, in general terms, the following steps:

1. The person performing a measure makes a self-assessment by following up their own work.
2. The responsible production supervisor or other staff conducts spot checks on measures taken.
3. Appointed persons with suitable qualifications and experience for the assignment perform a central follow-up of spot checks on measures taken.

We believe performing regular qualification exercises and having a present leadership play a major role in ensuring a good dialogue and standardized working practices.

In this presentation, we describe some of the recurring follow-ups performed by SCA Skog and briefly report and reflect on the results of the follow-ups and other activities during the year.

Pleasant reading!

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Management plan of our forest

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SCA’s nature consideration work*

Voluntary set-asides (100% retention)

Forests with very high natural values do we set aside voluntary for free development or to be manage in a nature conservative way so that the forest maintains its natural values over time. For example, we carry out conservation burning to benefit fire-dependent species or harvesting competing spruces in pine or deciduous forests. Our goal is 7% voluntary set-asides of SCA's total land holdings.

Combined targets (> 15-75% retention)

Forests with moderate to high natural values we manage with combined targets. This means that we harvest timber while preserving the habitat and natural values in the forest. Some forests are managed withcontinuous cover methods so that the forest feel is preserved through leaf cutting, clearing or screens of deciduous trees that are saved for the future. In other forests, larger areas are saved to benefit sensitive species or save areas rich in hanging lichen. In many cases, reindeer husbandry is also benefited by improving the conditions for reindeer grazing. Our goal is 6% combined targets.

Production with general retention (~15 % retention)

The remaining part of our land, 87%, is handle with basic retention in our forestry. This means, among other things, that we save buffert zones against waterways and bogs, smaller forest areas for sensitive species and leave groups of trees, dead wood and scattered trees that are old or otherwise important for insects and birds, for example.

* SCA’s 2 million hectares of productive forest land in Sweden

Target numbers and outcomes, 2025

	Percent of productive forest land	
	Ambition	**Outcome 2025**
Voluntary set-asides (100% retention)	7%	7.8%
Combined targets (>15-75% retention)	6%	4%
Basic retention (~15% retention)	10-15%	14.5%
Share of older forest* (%)	>2	7.3
Burned forest land (ha)	Approx. 200 ha**	193
Area dominated by deciduous trees (%)	>5	3.6
	Percent of total forest holdings	
Converted area according to the Swedish FSC standard definition (Pinus contorta and wind power)	Max 5%	3.1% (Pinus Contorta*** 84,008 and Wind 686 ha)

*Older forest ≥ 140 years
**Corresponds to approximate burned area required to reach the target level of 495 ha/year after enumeration factors. Burning carried out in 2024 corresponds to 360 ha with accrual factors.
***Established Pinus contorta after 1994

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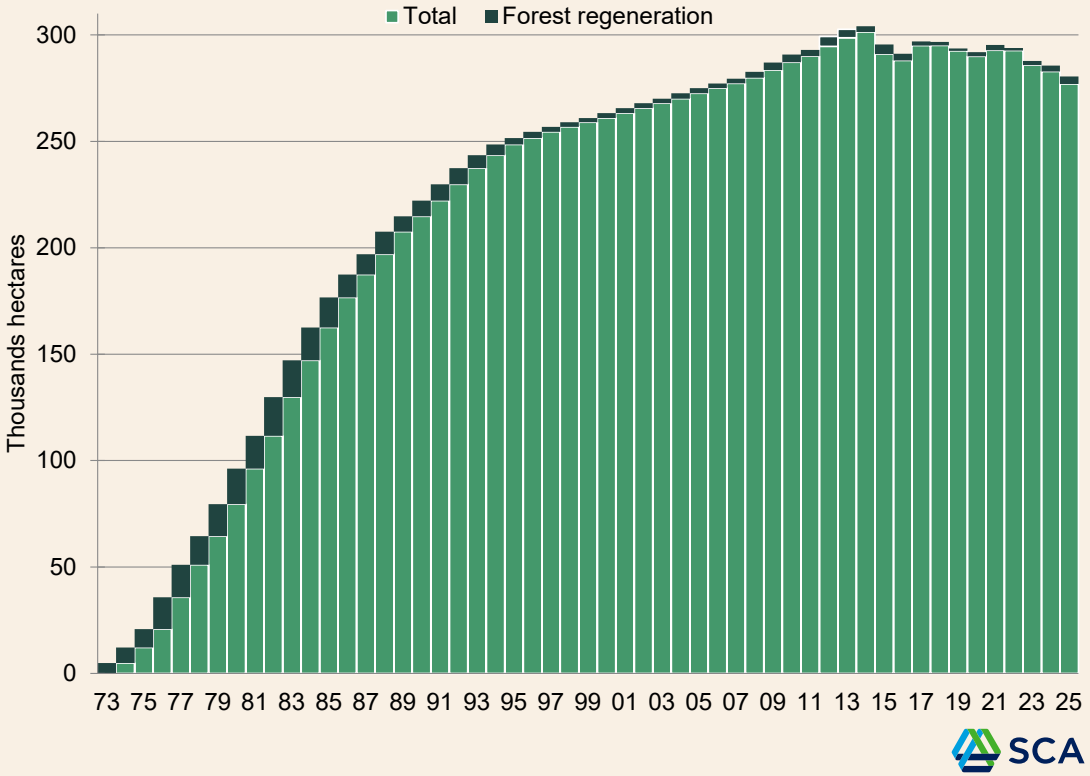
Total area Pinus contorta

1973-2025



SCA began planting large-scale contorta pine stands around 1970. The use of non-native tree species is regulated in the Swedish Forestry Act and by the FSC and PEFC forest management standards. The area declined slightly after the storms in 2011 and 2013. In 2025, contorta pine constitutes approximately 15% of the forest holdings.

Since the storms, annual planting has been approximately 1–2,000 hectares and mainly carried out on land that had previously been planted with contorta pine. Sites are chosen following collaborative planning with relevant Sami communities and in accordance with the FSC och PEFC standard. The earliest plantations are becoming mature for felling, and the felled area has therefore increased in recent years.

SCA's goal is to slightly reduces the area of Lodgepole Pine (Pinus Contorta) over time – from today's approx. 300,000 ha (15% of the productive forest land) to 270,000 ha.

Lodgepole Pine at SCA

An area of Lodgepole Pine, pine, southeast of Bräcke, which was planted in 1974. It has been cleared and then thinned in two rounds, in 2001 and 2011.

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Harvesting calculation

SCA's strategic targets for managing forest resources include that it should be sustainable in the long term. To ensure this, the company works with follow-up and long-term forward-looking impact analyses.

Forest inventory (abbreviated in Swedish to "FTAX")

- SCA uses forest inventories for detailed follow-up of the development of the forest status. FTAX is an inventory of spot checks of the company's forest and is carried out every six to eight years. The result is used in following-up the forest status and as inputs in the company's harvesting calculations. SCA conducted its first FTAX in 1947. The latest survey was completed in 2019 and was the tenth to be performed (FTAX 10).

Harvesting calculation (abbreviated in Swedish to "AVB")

- Every six to eight years, SCA carries out impact analyses of different strategies for harvesting and forest management. The calculations have a time horizon of 100 years to ensure long-term sustainability. Internally, the impact analyses are referred to as Harvesting calculations (abbreviated in Swedish to "AVB") and lead to decisions on the size of harvesting and direction for the period until the next AVB is performed. The latest calculation was completed in 2020 (AVB 20).

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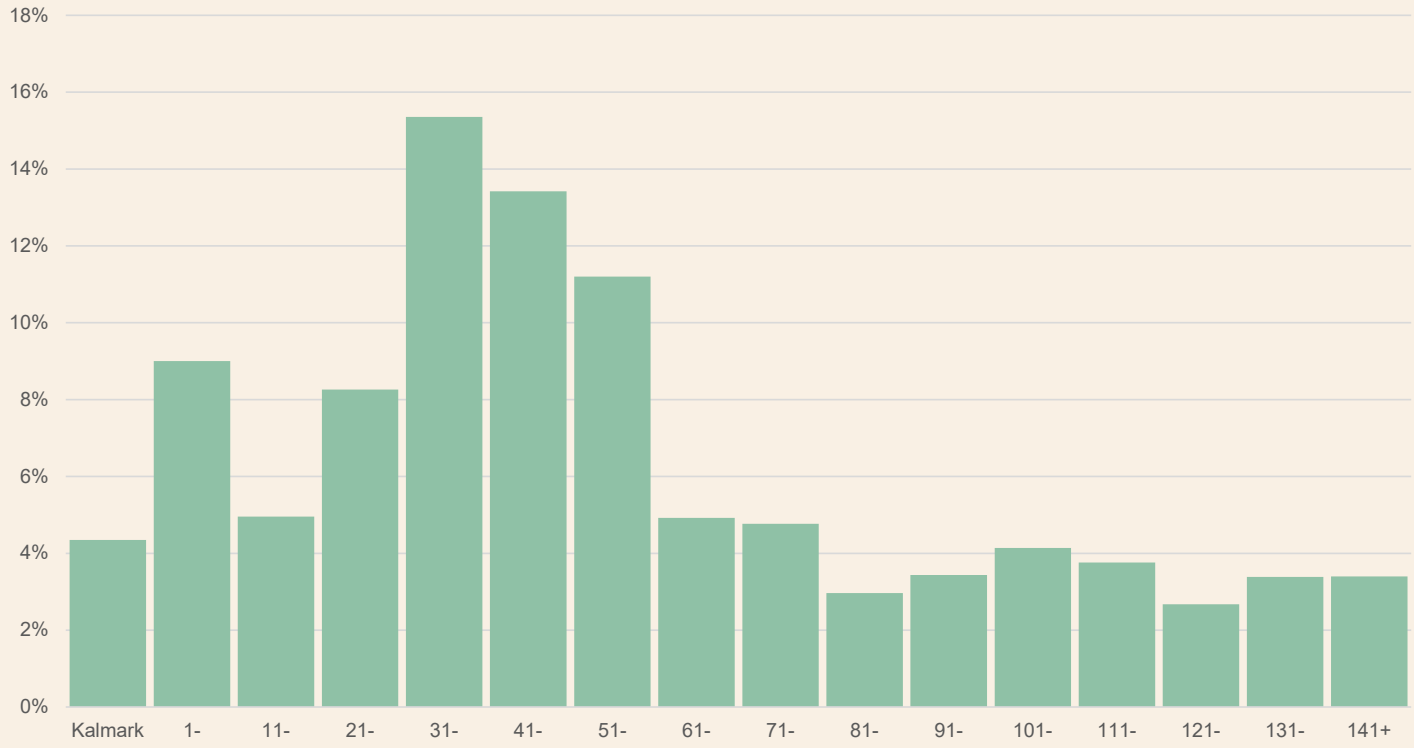
Age class distribution

SCAs most recent forest inventory, conducted in 2019 (FTAX 10)



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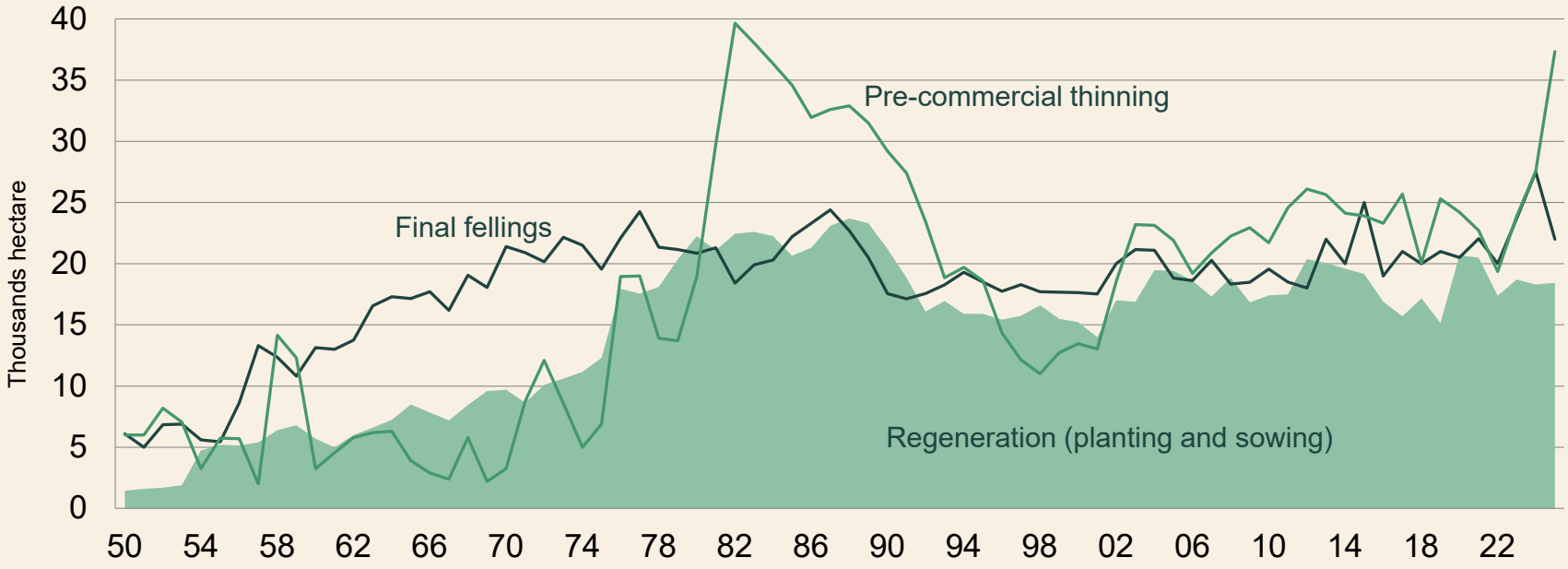
Area of final felling, regeneration and pre-commercial thinning

1950-2025



Incl. Scaninge Timber from 2002

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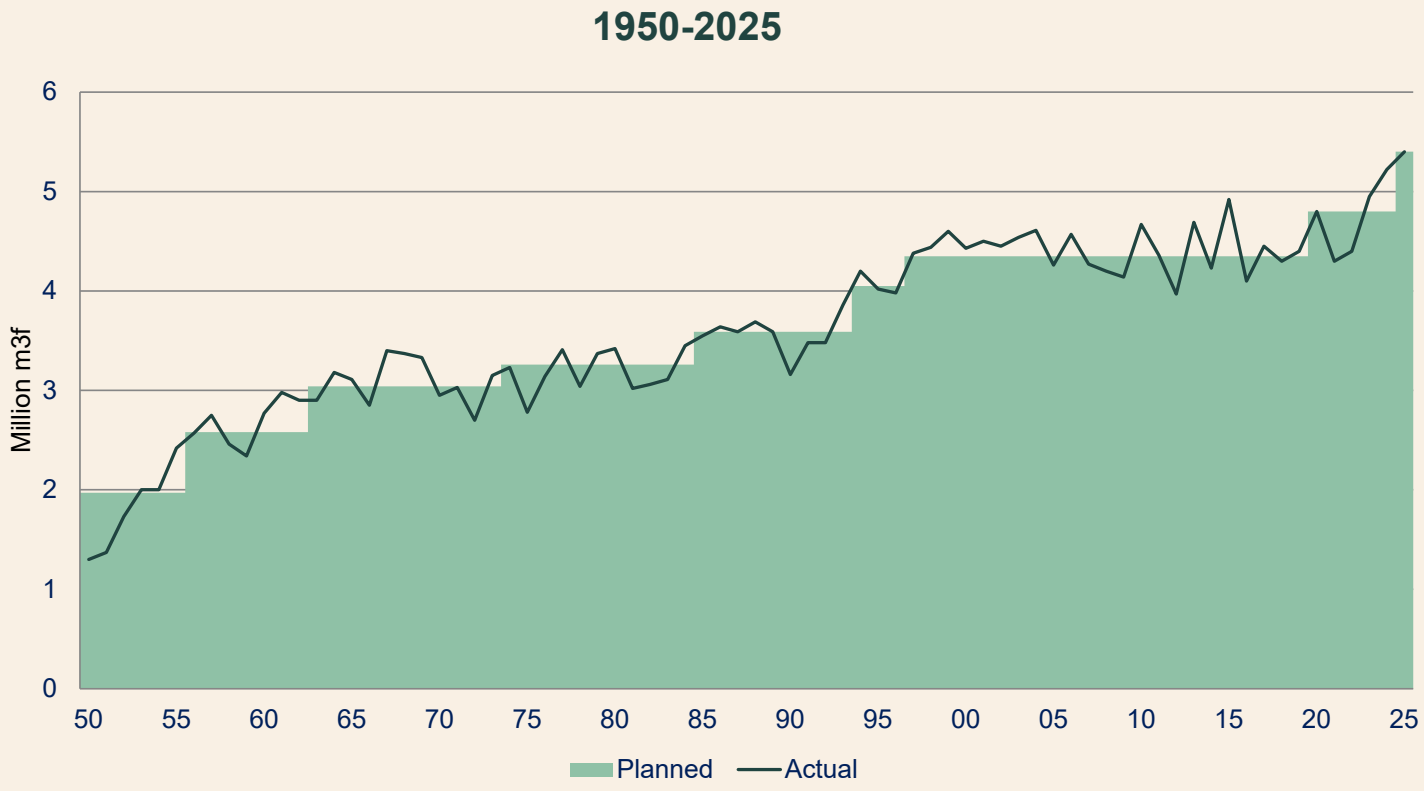
Planned and actual felling from own forests



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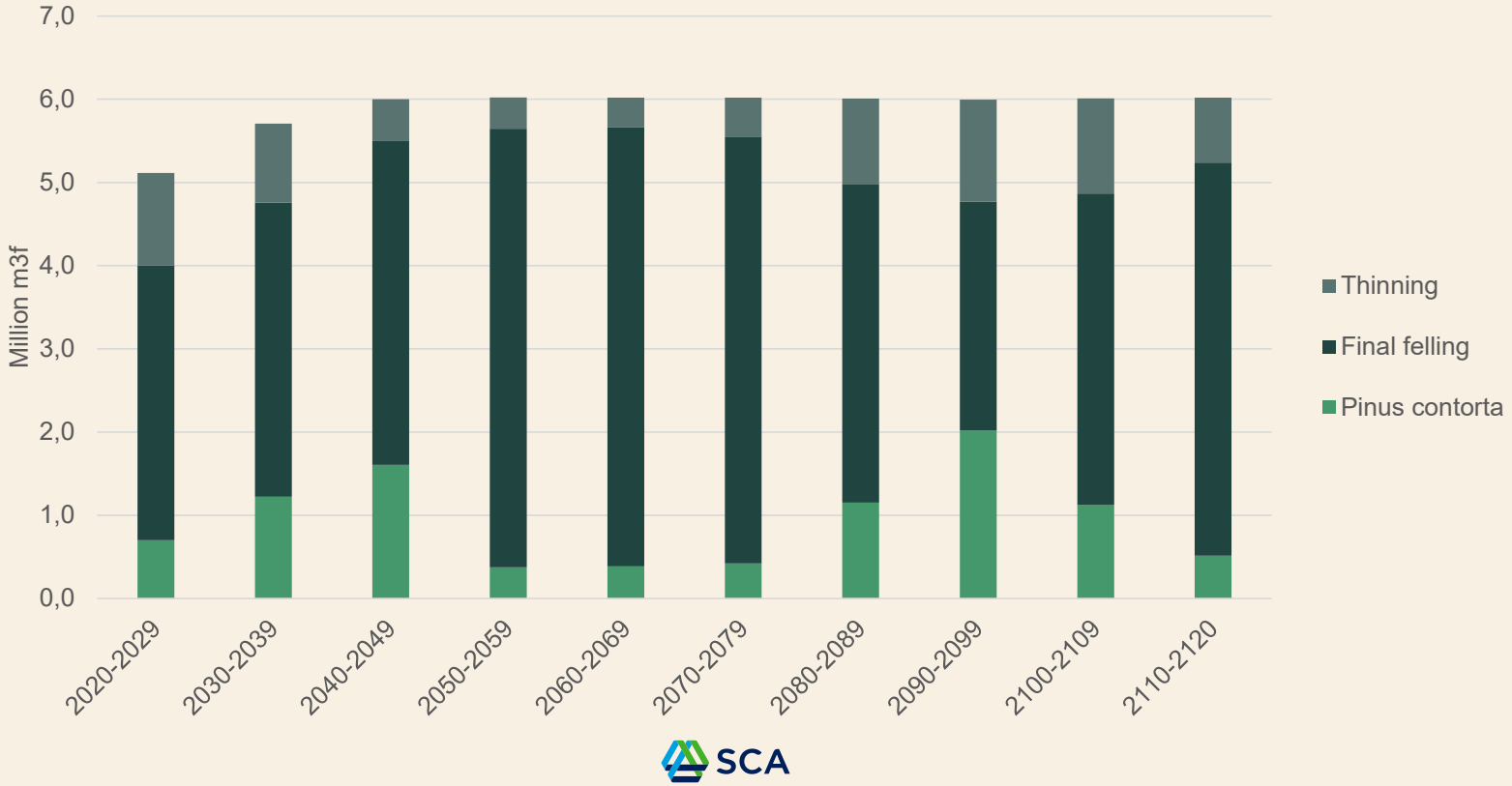
Potential harvest

Harvesting in ten-year periods according to SCA's harvesting calculation plan 20.



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Follow-up of forestry measures

Share of deciduous trees

SCA's young forests must have at least 10% deciduous trees.

- Deciduous trees are an important feature in our Swedish forests but have been in short supply in due to extensive control in the past.
- Deciduous trees are important for timber production but above all to promote biodiversity by contributing to diverse forests.
- SCA's certifications and clearing instructions are geared toward at least 10% of deciduous stems in our young forests.
- In 2025, deciduous trees accounted for an average of 20 % of stems capable of development left (main stems).

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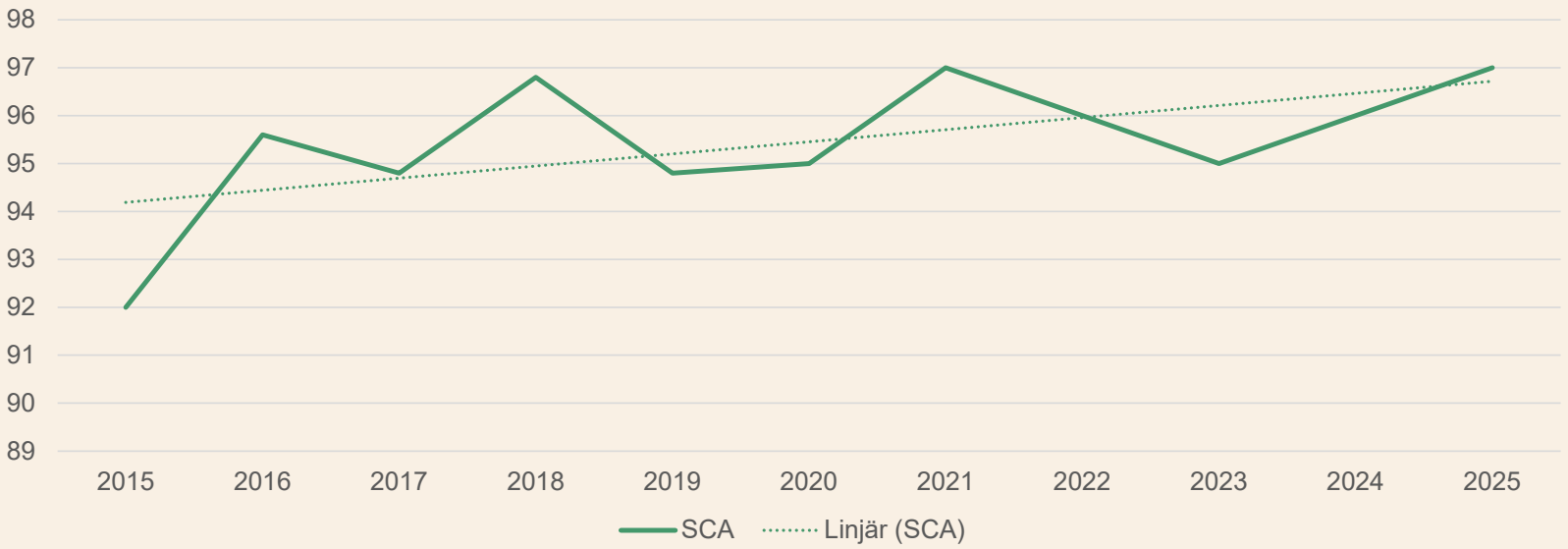
Silviculture

Soil scarification, regeneration and pre-commercial thinning

- On its own land, SCA is to select tree species and forestry methods that create a long-term, profitable and high level of timber production. In all forest management measures, SCA takes into consideration natural conditions, natural and cultural environments, reindeer herding and social values such as recreation and outdoor activities.
- SCA promotes good forest management when we undertake work on behalf of private forest owners and primarily offers services aligned with SCA's strategy for establishing new forest. The planning and execution of forest management is performed by trained personnel and contractors with the right expertise for the assignment.
- Each year, SCA performs forest management measures on large areas of its own forest and at private forest owners who engage SCA, see the slide "Silviculture acreage excl. fertilization". To ensure future timber production and good nature and cultural conservation, the quality of work performed is of the utmost importance. Most of SCA's forest management is performed by contractors and when an assignment is completed a quality declaration is prepared that measures and assesses quality. Objects that fail must be rectified.
- SCA conducts spot checks on completed quality declarations to build a common understanding of quality and performance. As a guideline, at least 20% of the projects should be followed-up. Follow-up is stepped up for contractors/teams that have demonstrated quality defects.
- **The result of SCA's quality follow-up for soil scarification and planting is presented below. Acceptable level is 90% approved planting spots or plants in relation to the objective in the contract.**

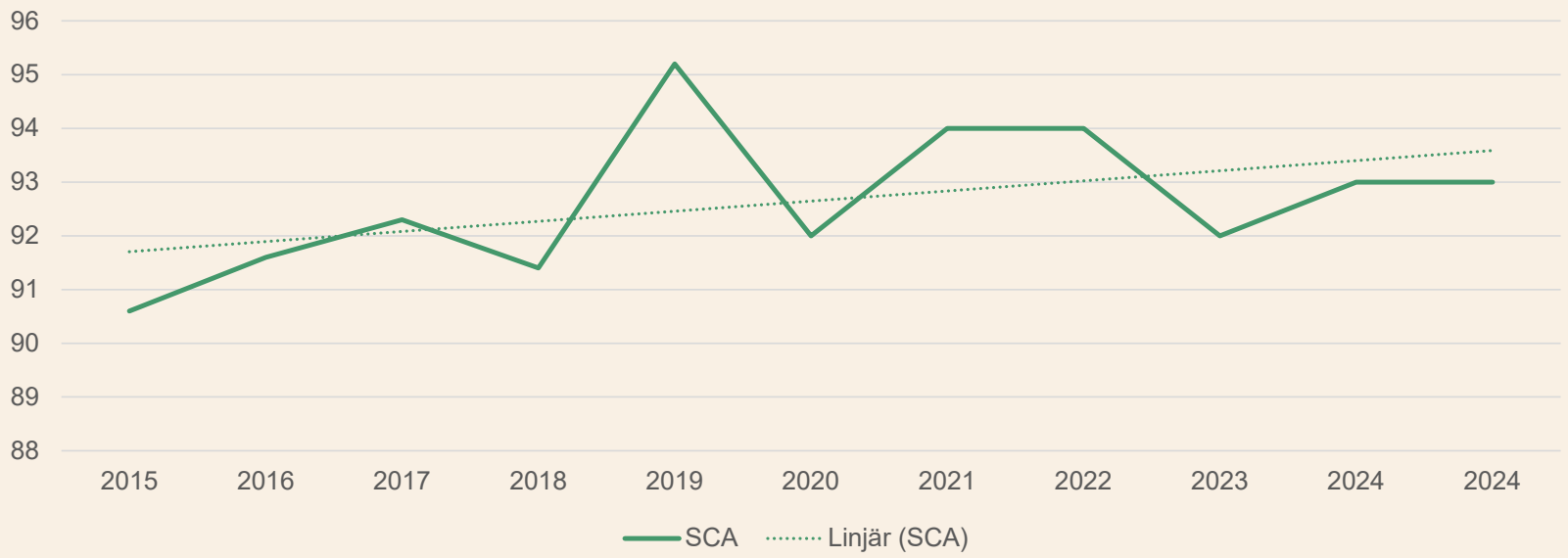
Soil scarification

SCA's quality limit is 90%, our goal is 95%

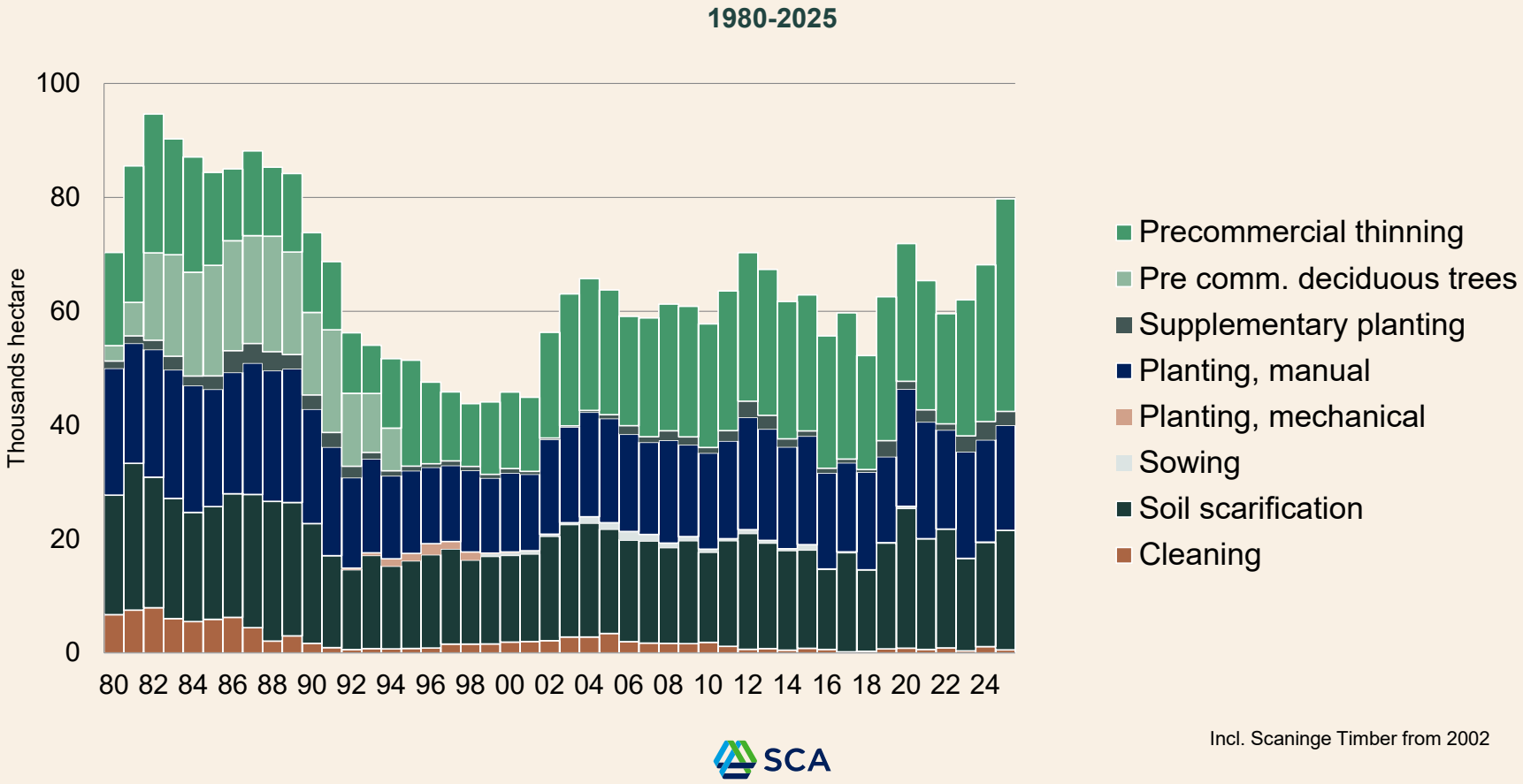


Planting

SCA's quality limit is 90%, our goal is 95%



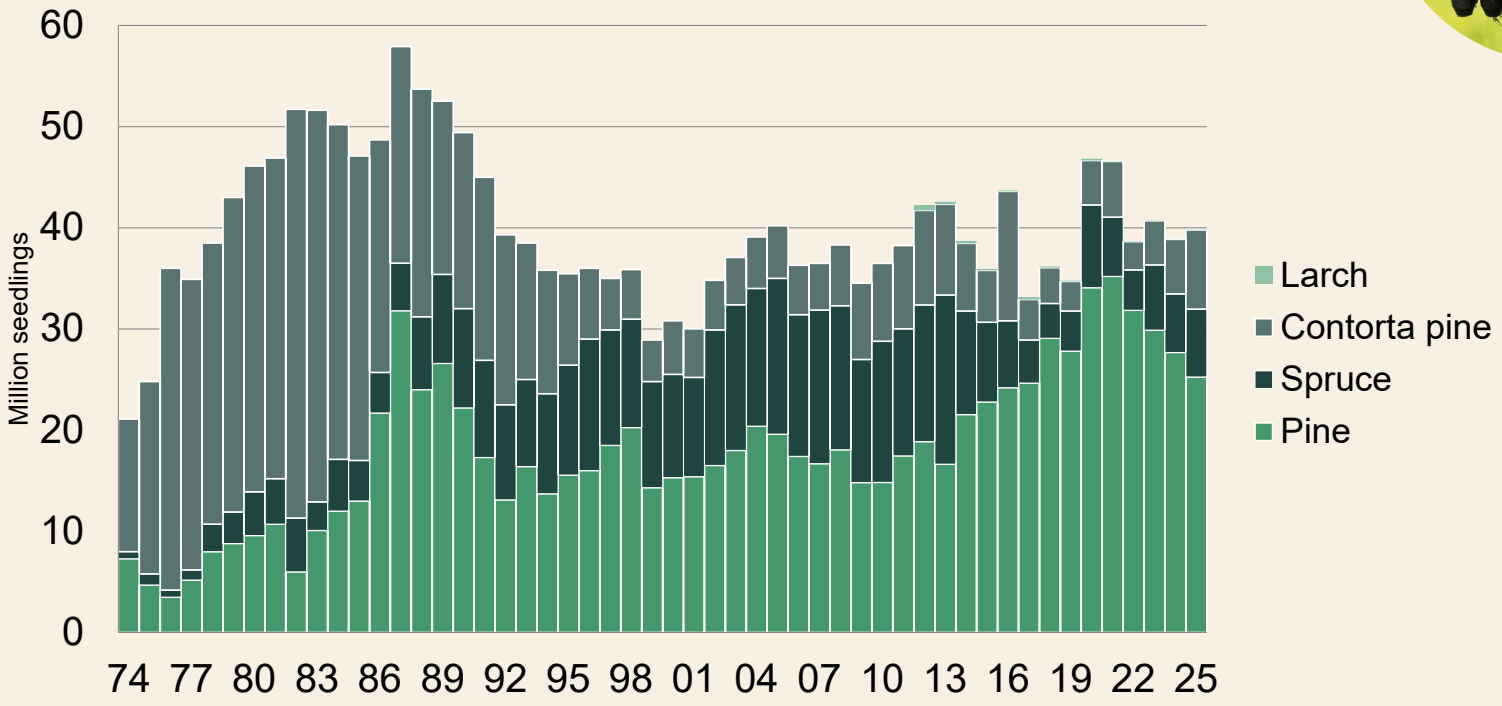
Silviculture acreage excl. fertilization



Incl. Scaninge Timber from 2002

Seedling consumption

1974-2025



Inkl Scaninge Timber fr o m 2002

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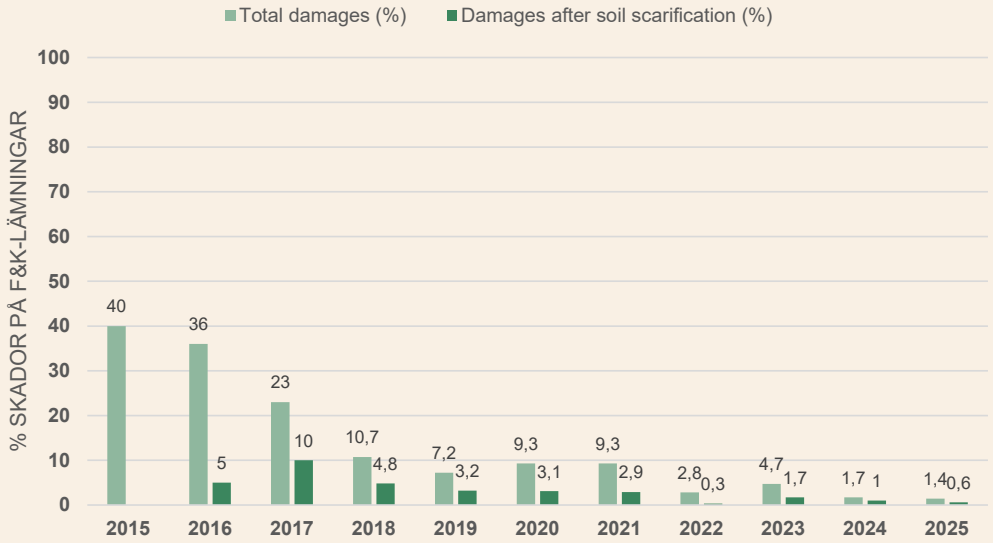
Damage to ancient and cultural remains

The follow-up indicates damage to known remains overall and following soil scarification.
The results for 2025 are the best results so far since we started doing follow-ups after soil scarification.

- In 2025, follow-up was performed on 469 remains (incl. restricted areas) (412 in 2024).
- Continued measures in 2026 according to our instructions and action plan to reach the vision zero.



Type of damage on ancient or cultural remains	Number	Percent
Rutting damage	2	0.4
Forest residues	1	0.2
Left trees	1	0.2
Soil scarification	3	0.6
Total	**7**	**1.4**

Operational planning

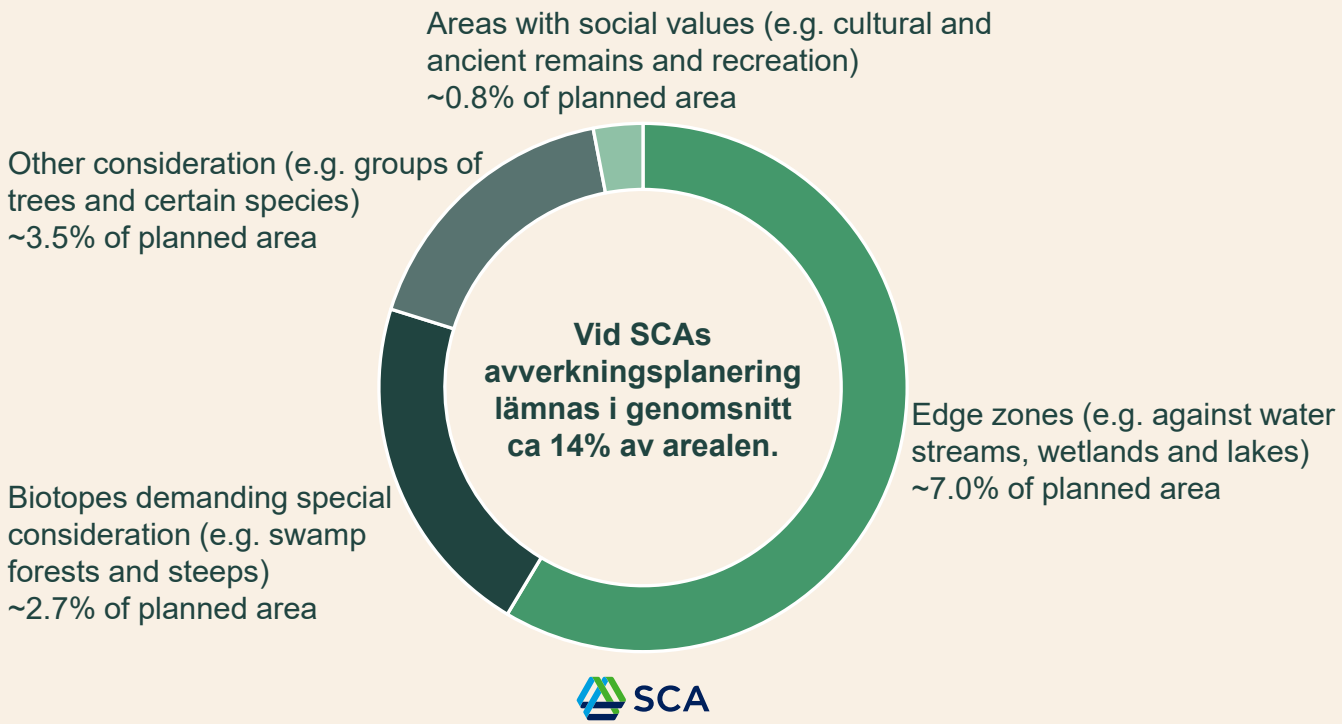
Operational planning encompasses planning of how the area should be harvested, the nature conservation measures we should take, which roads are needed and whether they are in good enough condition, how machinery should drive to protect the soil and how to ensure regeneration. Planning requires work both from the office and in the field.

Operational planning follow-up (abbreviated in Swedish to "TPU")

- TPU is a centralized follow-up of our operational planning process. It is a coherent and targeted quality follow-up that uses spot checks, with a particular focus on new employees and new contractors.
- The follow-up indicates shortcomings and potential improvements for the operational planners, but also on what has worked well and that we want to build further on.
- Operational planning follow-up provides supporting data to pursue continuous improvements in respect of our introductions, instructions and working practices.
- In operational planning, we always strive to use the best possible decision support and continuously evaluate how it helps us make better decisions. During 2025, we have, among other initiatives, evaluated our new SCAn* workflow using our regular operational planning follow-up process. The results show that we generally make more accurate assessments and better decisions compared to traditional operational planning. However, the data is still too limited to draw any broader conclusions.
- **SCAn involves collecting high-resolution photographs and laser scanning data from a helicopter.*

Planned nature consideration in final fellings

Nature consideration area by types



Harvesting

Harvesting at SCA should adopt effective and functional nature consideration measures. We monitor this continuously in several stages based on different variables to create a sense of commitment and improvement efforts that pervade the entire chain.

Environmental consideration follow-up after harvesting (abbreviated in Swedish to "NUPP")

- The Production function continuously monitors the quality of regeneration harvesting. This follow-up (NUPP) uses targeted random checks every quarter with a set scope per forest machine team.
- NUPP is performed by each production supervisor and is designed to offer constructive feedback to the forest machine teams that are harvesting and play a vital part in efforts to achieve continuous improvements.
- NUPP provides a quality rating of the consideration for which the forest machine teams are responsible in terms of the functional considerations. A rating of 3 and 4 means the consideration is approved, while a rating of 1 and 2 means the quality of the consideration is either below or above the target level.
- • The focus during 2025 has been on calibrating assessments and reversing the trend of decreasing area for regeneration.

Summary NUPP, 2025

The quality of the consideration for which the forest machine teams are responsible is reported in the following categories:	**Share of approved sites:**
Damage to soil and water	95%
Consideration for ancient and cultural remains	97%
Consideration to living trees	99%
Consideration to dead wood	98%

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Follow-up of social and environmental impact of forest management

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Collaborative planning with reindeer husbandry

Through our joint planning process, we work together with the Sami reindeer herding communities to find solutions that, within the framework of our strategies, minimize the impact of our forestry operations on reindeer husbandry. The process is conducted in accordance with Free, Prior and Informed Consent (FPIC).

- The collaborative planning process is conducted in a time horizon of at least five years at a time, or other agreed period of time.
- The collaborative planning is carried out with a landscape perspective to overview effects and prioritize measures and possible adaptations.
- The process with the affected Sami community, to decide on the long-term plan, takes 3–6 months.
  It includes, in general terms, the following steps:
  1. We contact the Sami community and offer collaborative planning with a suggested date for a first meeting
  2. Documentation and contact details are sent in an invite via our joint digital platform – samplanering.se
  3. The first meeting takes place
  4. If necessary, a second meeting and/or a joint field visit is undertaken
  5. If necessary, the parties request support in the process from FSC (so called mediation)
  6. If necessary, the parties request dispute resolution via FSC Sweden
- Some 30 Sami communities have institutional rights to herd reindeer on SCA's land.
- The following variables could be important to discuss in collaborative planning: harvesting date, site preparation method, fertilization, choice of tree species when replanting and the construction of forest roads In areas where reindeer herding is particularly important, other measures such as clearing, thinning, extraction of felling residues, and alternative forms of harvesting can become relevant to discuss. The measures often aiming at promoting grazing areas and facilitate accessibility for the reindeers.

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Strategy for long-term collaborations with Reindeer husbandry

Work yard where the forest is to be thinned out according to the wishes of the Sami village. Collaborative planning was carried out in field summer of 2023. Photo: Anna Marntell ©.

During 2025, internal efforts carried out in close collaboration with representatives of the reindeer husbandry sector resulted in a strategy for long-term cooperation encompassing five strategic areas:

- **Co-planning and dialogue**

A further developed and proactive dialogue and cooperation process in line with the principles of FPIC. This includes, among other measures, an expanded internal organization for co-planning.

- **Create and preserve**

Areas that are important for reindeer husbandry are to be preserved and developed through active measures. Adapted forestry practices to support reindeer husbandry are a key focus.

- **General consideration in operations**

Conduct long-term and diversified forestry with consideration for reindeer husbandry in our operations. Through pilot projects during 2026, we aim to define methods that improve the general consideration given to reindeer husbandry in our forestry activities.

- **Competence**

Ensure enhanced knowledge of how reindeer husbandry is conducted and how forestry operations affect its conditions.

- **Research & development**

Collaborate with SSR, the Sami reindeer herding communities, authorities and research institutions. Conduct our own trials with the aim of developing improved methods and implementing new working approaches.During 2026, the strategy will serve as the foundation for the continued development of routines and as a basis for continued dialogue and co-planning with representatives of the reindeer husbandry sector.

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Restoration of wetlands

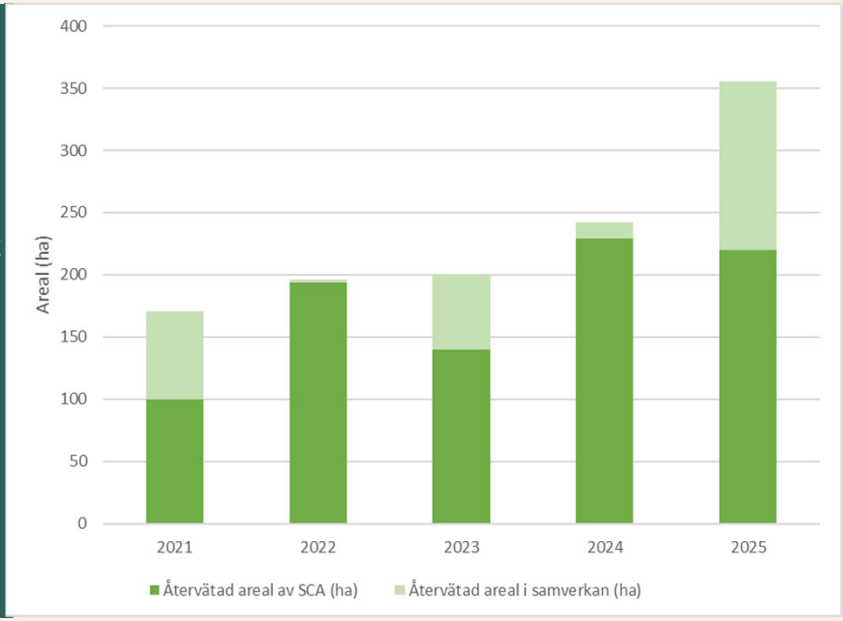
During the 1900s, many wetlands and peatlands were drained to increase forest production. This dried out wetlands and peatlands and weakened habitats for many species that depend on wet sites for their long-term survival. This also resulted in increased CO_2 emissions as the soils reacts to oxygen which breaks down the peat. In the long run, the ability of the wetlands to retain water in the landscape has decreased.

The photo show a restored wetland on SCA land.

At SCA, we are continuously working to restore wetlands on our own land. Our goal includes both initiating and implementing measures ourselves, with geographical spread, and acting as a host for projects initiated by, for example, County Administrative Boards.

In 2025:

- We initiated and restored a total of 355 hectares of wetlands at our own land by ourselves or in collaboration with others.



The diagram shows the change in rewetted area from 2021 to 2025.
The Y-axis indicates the area (ha), with dark green bars representing the re-wetted area by SCA and light green bars representing the re-wetted area in collaboration.

SCA's Species Commitment

SCA has an ambition to improve habitats that are important for species that are disadvantaged by forestry. This will help us achieve even greater precision in our work to protect biodiversity within our forest holdings.

- In collaboration with the SLU Swedish Species Information Centre, we have identified 203 species that are negatively affected by clear-cut harvesting. These include certain fungi, mosses, lichens, insects and birds. We have also identified 11 different habitats that these species are associated with.
- Many of the identified species have specific requirements for their habitat and may need different types of targeted measures. Some of the species are also ÅGP species (see next slide).
- **During 2025, the thinning guidelines were further developed to increase the proportion of deciduous trees and to promote the development of pines with specific wood structure characteristics.**

	Habitat category	Number of Species Commitment
1	Coniferous forest with long-term continuity of living trees	40
2	Coniferous forest with long-term continuity of dead wood	87
3	Open pine forest on sandy soils with continuity of living trees	16
4	Coniferous or mixed coniferous/deciduous forest on nutrientrich soils with continuity of living trees	15
5	Pine forest with continuity of dead wood	28
5b	Low-productive forest due to shallow soil / dry conditions	10
6	Forest with predominantly deciduous species and presence of dead wood	40
7	Forest recently impacted by fire	10
8	Forest on humid or wet soils, often adjacent to streams and lakes	41
8b	Low-productive forest due to wet conditions	16
9	Living and dead trees with high exposure to sunlight	10
10	Species have other habitat needs that require location specific measures	11
11	Detailed information on habitat requirements are missing	4
	Total (One Species Commitment kan be linked to more than 1 habitat)	328

Action Plans “ÅGP” for endangered species and habitats (and SCA’s Species Commitment)

Some endangered species found in our forests depend on disturbances to survive and are disadvantaged in environments that are set aside to develop freely. As natural disturbances do not often occur today, we can use targeted initiatives to benefit many species of interest in nature conservation using relatively simple measures. These measures lead to improved conditions for these species as our efforts are prioritized in areas with a known presence. Prioritization is conducted in collaboration with authorities and/or non-profit organizations.

73,000 ha of productive forest have been identified within 10 landscapes where several known occurrences of specialized Species Commitment exist today, and which are dependent on pine and deciduous forests.

- During 2025: 1,623 hectares of productive forest have been restored within the designated landscapes that host several specialized species dependent on pine or decidous forests. Nature conservation management measures, such as prescribed burning, are also prioritized in these areas to maximize conservation benefits where the species occur. Through greater precision in our conservation efforts, the restored habitats are connected with existing habitats, thereby improving landscape functionality over time through higher habitat quality, larger living areas and enhanced opportunities for species dispersal.
- During 2026, we will implement an improved pre-commercial thinning approach in our productive forest areas within the ÅGP landscapes, aimed at strengthening long-term conditions for species that benefit from deciduous or pine-dominated forests.

* All ÅGP species are also included among SCA’s Species Commitment.

Health and safety for our forest contractors

Everyone who works on behalf of SCA Skog must have good working conditions and a safe and secure work environment. This means Swedish collective agreements are in place, and that the work environment is safe and complies with prevailing law. To ensure this, SCA has since 2017 visited employees working for our contracted companies and requested that they anonymously complete a questionnaire. The primarily focus is on new contractors and contractors where we believe there is a risk that shortcomings may occur. The survey are conducted together with the Swedish union of forestry, wood and graphical workers (GS). The responses helps us in our efforts to offer good working conditions and a safe work environment.

Follow-up in 2025 (2024)

- Number of teams visited: XX (58)
- Number of individuals who answered the anonymous questionnaire: XX (237)
- **The survey resulted in a few shortcomings that were all classified as of a less serious nature. The trend is positive, but the shortcomings must be further reduced.**

In the event of discrepancies, these are reported to the relevant contractor with the requirement that action should be taken. In the event of serious discrepancies, the contractor's activities must be stopped until the necessary action has been taken or alternatively the business relationship is terminated.

Follow-up through auditing

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Internal audit

SCA Skog is certified in accordance with ISO 14001. This entails a requirement to perform internal audits of our operations. These audits are performed each year by appointed employees. This applies to all organizational functions, and we conduct spot checks in different geographic areas.

The requirements of our FSC and PEFC forestry standards also apply to these audits, as do all laws and regulations that apply to us. The result of the audit is reported to top management and the work with corrective actions is regularly monitored.

Our internal audit has a central role in our improvement efforts and generates improvements each year.

Summary 2025

A summary of discrepancies, observations and improvements:	9 discrepancies, 19 observations, 5 improvements
Total time spent (excl. travel and planning) and number of auditors	Approx. 248 hours and 7 internal auditors

Distribution of deviations, observations and improvements

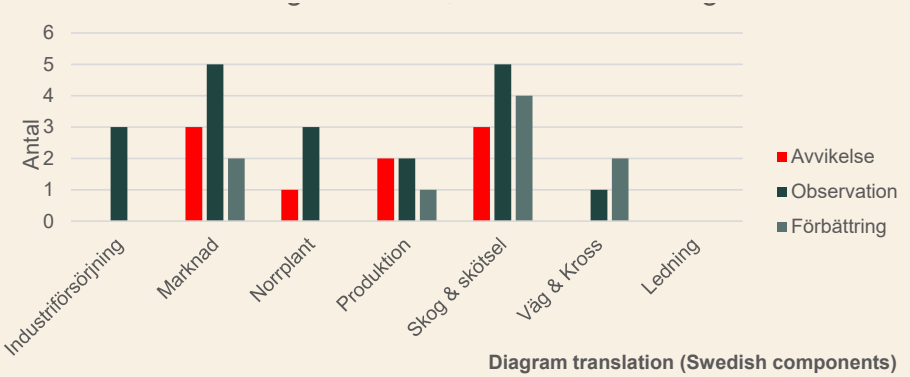

Diagram translation (Swedish components)

- Industriförsörjning – Industrial supply
- Marknad – Market
- NorrPlant – NorrPlant tree nursery
- Produktion – Production
- Skog & Skötsel – Forestry & Management
- Väg & Kross – Road & Crushing
- Ledning – Management

External audit

In 2025, SCA had two external audits against the forest management certifications. Beside the annual audit we had an additional focusing on complaint issues. Both audits took place in fall (September-October) and the results are reflected in the summary.

Within the framework of our FSC (FSC® C004466) and PEFC (PEFC/05-23-131) forest certification, we are continuously audited by external auditors via our certification body. This means that we are followed up at least annually by an independent third-party auditor, who verifies that we comply with requirements that we have committed to follow. The annual audit lasts for about two weeks and includes review of governing documents as well as field visits and interviews.

The results of each external audit provide information on whether the auditor has discovered deficiencies that we, as certificate holder, needs to address to maintain the quality required by the standards.

In addition to the external forestry audit at SCA Skog, we are also audited against our Chain of custody certification in accordance with FSC (FSC® C018408) and PEFC (PEFC/05-31-292), and last but not least, against our environmental management system according to ISO 14001.

Summary 2025	
Findings	In total, the two audits resulted in 8 minor deviations from the FSC and PEFC forestry standards. The extra audit noted two CARs (corrective actions required) from the co-planning process with Sámi villages. CARs from the regular audit included soil damage in harvesting operations, machine operator self-monitoring and species considerations.
Root causes and improvement work:	Root causes regarding findings on co-planning were partly connected to issues surrounding the old FSC boundary and partly in how we communicated the handling of co-planning and consultation during a period when we were facing the decision on a possible FSC break. The break was not implemented and during 2025-2026 we have developed a new strategy in collaboration with SSR (Svenska Samernas Riksförbund) and in dialogue with the Sámi villages. The strategy is a response to the challenges within the co-planning process from both parties and will hopefully facilitate and clarify the work forward. Soil damage will receive a major focus in 2026 at SCA, including by becoming one of SCA Skog's sustainability goals. Species considerations are also ongoing work that will involve continued implementation of measures that have already been initiated, for example through increased resources and training.

Major changes during the year

Major changes 2025

• A new nature conservation strategy was adopted in the spring of 2025. Among other elements, the strategy places greater emphasis on restoring and creating habitats for SCA's Species Commitment – rare or threatened species for which SCA has a particular responsibility to conserve within our forests.

• During the year, audits were conducted of the FSC and PEFC forest management standards as well as timber trade standards. An additional audit was carried out focusing on the complaints raised in advocacy campaigns conducted by environmental organizations and, in some cases, Sami reindeer herding communities against SCA. The audits were successful and resulted in improvement initiatives being launched to address a number of minor non-conformities.

• During the year, a constructive dialogue was held with SSR – the Swedish Sami National Association. Topics discussed included adaptations to reindeer husbandry and how the co-planning process can be carried out more efficiently for both parties. The dialogue forms the basis for a long-term cooperation strategy with the reindeer husbandry sector that SCA intends to adopt in 2026.

• The number of complaints related to FSC certification decreased somewhat toward the end of the year. At the same time, the number of appeals against decisions by the Swedish Forest Agency regarding environmental considerations during harvest increased. During the year, SCA strengthened its administration, expertise and resources to manage the growing number of species protection cases.

More information

If you wish to know more about SCA Skog and our forestry operations, please visit our web site www.sca.com/en/forest/scas-forests These pages were updated in the beginning om 2026. You can also find out more in our annual and sustainability reports.

If you wish to contact us, please send an email to info.skog@sca.com.

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