2024

ANNUAL REPORT

SCA

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The formal Annual Report comprises pages 62–75, 88–139 and 188. The scope of the Sustainability Report in accordance with the Swedish Annual Accounts Act is described on page 66. Sustainability reporting in accordance with selected ESRS standards is presented on pages 152–181. The Corporate Governance Report is on pages 76–87.

The Swedish language version of the Annual Report is official. In the event of disparities with the English version, the Swedish version prevails.

This is SCA

With 2.7 million hectares of well-managed forests in northern Sweden, Estonia, Latvia and Lithuania, SCA is Europe's largest private forest owner. By responsibly managing this unique resource, SCA creates the greatest possible value for the forest, the economy and future generations.

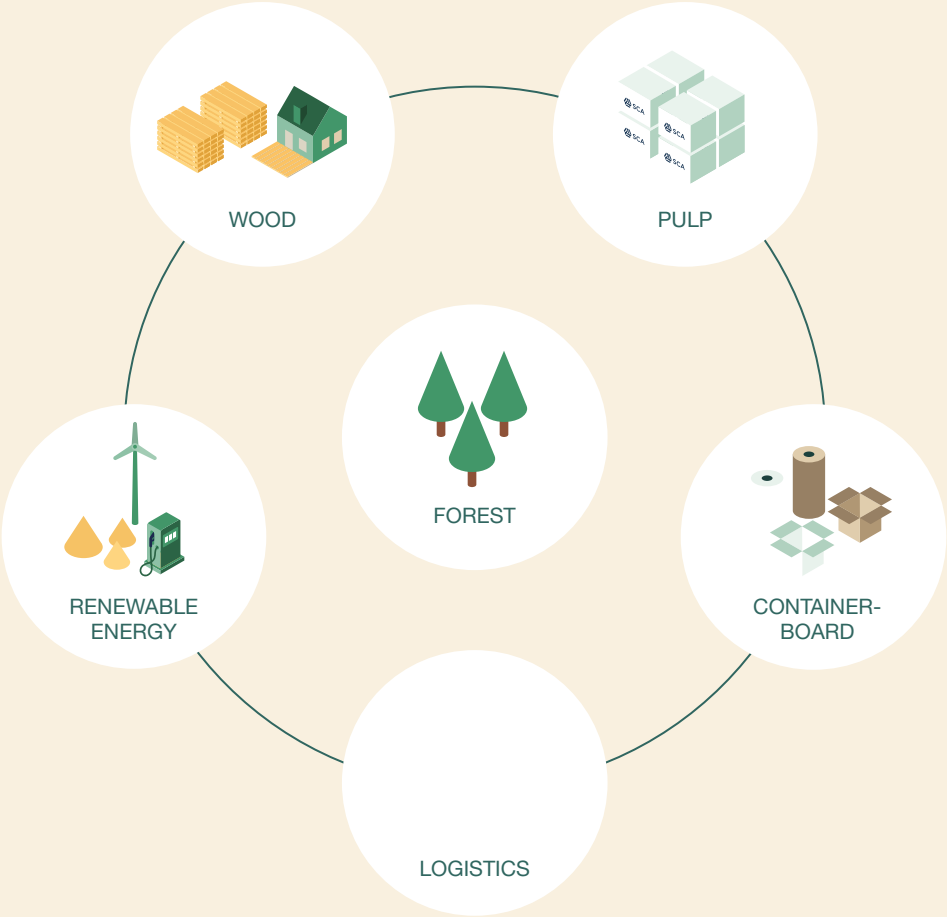
2.7

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 integrated and well-developed industry around this renewable resource, utilizing the entire tree to maximize its value. From this raw material, SCA creates renewable products that benefit customers around the world.



Forest
The forest is at the core of SCA's operations. Around this resource, SCA has built an industrial ecosystem that maximizes value creation in and from the forest. Forest land also provides value in the form of energy production from wind power and offers opportunities for hunting and leisure activities.

Wood
Two thirds of the revenue for forest owners come from sawmills. This is why SCA has created a competitive sawmill industry that acts as an economic engine of the forest business and creates the conditions for a competitive fiber-based industry.

Pulp
Most of the wood that is unsuitable for use in solid-wood products is used to make pulp. A pulp mill also produces green chemicals, green electricity, heating and raw materials for biofuels, for example.

Containerboard
SCA produces packaging paper. Integrated paper mills also produce green chemicals, green electricity, heating and raw materials for biofuels, for example.

Renewable Energy
From the raw materials that are not used for solid-wood products, paper, or pulp, SCA produces energy, green electricity, biofuels and green chemicals. SCA's forests offer favorable sites for wind power production.

Logistics
Efficient logistics are crucial for a forestry company. Raw materials must be shipped cost-efficiently to industrial facilities and products must be delivered to customers worldwide.

The year at a glance

In 2024, SCA demonstrated that the company can maintain good profitability despite a weaker economy and an uncertain external environment. With its efficient industries and a high level of self-sufficiency in wood, energy and logistics, the company successfully kept costs under control. Despite the economic situation, SCA reported an EBITDA margin of 35% for the full year.

Net sales
20,232
SEKm

EBITDA
7,143
SEKm

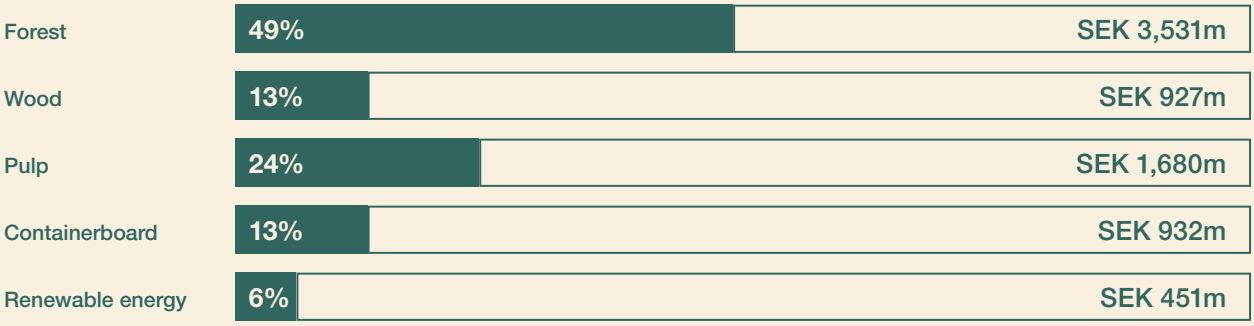
EBITDA margin
35%

Earnings per share
5.18
SEK

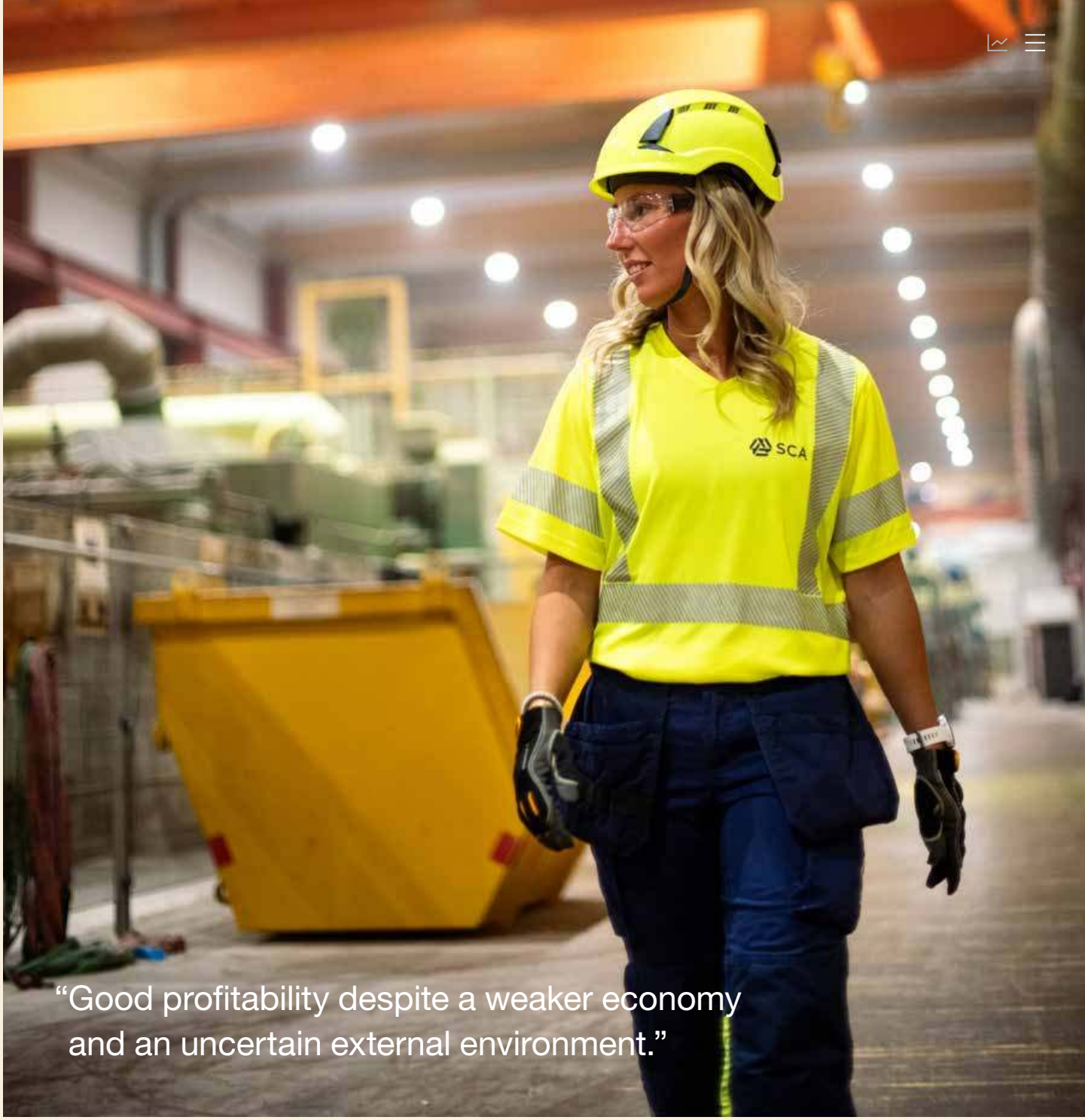
Dividend per share
3.00
SEK

Climate benefit
12.3
million tonnes CO_2eq

EBITDA, share of Group 2024[1)]



[1)] SEK –378m is recognized in Other.



"Good profitability despite a weaker economy and an uncertain external environment."

Key figures

SEKm	2024	2023
Net sales	20,232	18,081
EBITDA	7,143	6,807
EBITDA margin, %	35.3	37.6
Operating profit	5,027	4,857
Operating margin, %	24.8	26.9
Profit for the period	3,639	3,625
Earnings per share, SEK	5.18	5.23
Proposed dividend per share, SEK	3.00	2.75
Operating cash flow	3,187	2,985

SEKm	2024	2023
Strategic capital expenditures	689	1,510
Forest assets	107,329	107,481
Capital employed	114,920	115,050
Industrial return on capital employed, %	7.3	7.3
Net debt/EBITDA	1.5x	1.6x
Average number of employees	3,456	3,413
Accidents, LTA per million hours worked	3.1	4.3
Climate benefit, million tonnes of CO_2	12.3	12.8

CEO's message

SCA's strengths – competitive industrial operation and high degree of self-sufficiency

SCA's relative strength lies within the combination of a well-invested, and thus competitive, industrial operation and a high degree of self-sufficiency in strategically important areas, such as wood raw material, energy and logistics. This strength enables SCA to deliver good earnings even in a weaker economy and an uncertain world. In a challenging market, SCA reported an EBITDA margin of 35% for 2024. In addition, SCA compensated, through its responsible forestry and its sustainable products that replace fossil materials and fuels, for just over a quarter of Sweden's total territorial emissions of carbon dioxide. In parallel, several strategic capital expenditures are being stepped up to meet a brightening economy, resulting in increased production capacity and higher cost efficiency in profitable and growing product segments.

SCA supports the Ten Principles of the UN Global Compact in human rights, labor, environment and anti-corruption.

SCA's operations are based on a secure, sought-after and scarce resource – the forest – as well as on a well-integrated value chain in which each link strengthens the others and the sum creates more value than each individual link. The company focuses on the efficient use of wood raw material as the basis for maximizing economic and climate benefit across the value chain, from our responsibly managed forests through the company's industries to the delivery of climate-smart products to end customers.

Through long-term and sustainable management of SCA's own forests and extensive investments in product segments in profitable growth areas, over time SCA has built a highly competitive industrial operation with a good ability to handle both a weaker economy and an uncertain external environment. This ensures that we are in a good position and prepared when the market recovers.

Russia's war of aggression against Ukraine has created severe challenges for world trade and the conflicts in the Middle East have added uncertainty to the global economy. At the same time, there are some glimmers of light as the world, on a relatively broad front, has successfully dampened inflation and created scope for the main central banks to cut interest rates.

For SCA, which recently completed several strategically important investments, it has been natural during the past year to focus on ramping up these investments while leveraging the company's existing strengths and competitive advantages to continue to generate benefit and value for shareholders.

High degree of self-sufficiency provides great security

SCA's high degree of self-sufficiency in strategically important areas, such as wood raw material, energy and logistics, has contributed to security, stability and good profitability. Despite a weak economy, the price of wood raw material has been high as global supply has been limited, partly as a result of sanctions against Russia, extensive forest fires in North America and previous bark beetle infestations in Central Europe. SCA, Europe's largest private forest owner, has had a robust foundation on which to stand, mainly due to its large forest holdings. During full-year 2024, about 60% of the wood raw material for our industries was supplied from the company's own forests, which reduced the need to compete with other timber purchasers in a strained market.

The market for energy remains volatile and unpredictable. SCA has a clear strength in this area, as it is practically self-sufficient in electricity and also has 20% of Sweden's installed wind power capacity on its own land.

A similar degree of stability and security also applies to transportation and logistics solutions. SCA has its own extensive, well-planned and efficient transportation network that includes road, rail and sea transport. Cost-effective and reliable logistics are particularly important for a company operating in a global market where 80% of sales are exported.

Transporting goods by sea from Sweden is often good for competitiveness and the climate. SCA's newly inaugurated container port in Sundsvall, will further strengthen the company's competitiveness. The new deeper port, which has been enhanced by larger and better cargo handling areas and a new logistics park, can accommodate bigger container ships and also break bulk vessels.

The capacity increase will provide higher efficiency in terms of cost and climate emissions per tonne of freight transported. In parallel, it opens doors for expanded third-party logistics where other companies' transportation needs strengthen SCA's business.

Higher capacity in profitable growth areas

In addition to ongoing efforts focused on continuous improvements, SCA continued to ramp up a number of strategically important growth projects over the past year.

In Obbola, the world's largest paper machine is being ramped up to manufacture sustainable packaging paper, based mainly on fresh fiber. This packaging paper will enable fossil-based packaging materials to be replaced.

At Ortviken, the production rate of semi-chemical pulp, CTMP, is gradually being increased to serve the board and tissue markets.

In Gothenburg, SCA's and St1's biorefinery has started to manufacture biofuels to replace fossil fuels. At the same time, Sweden's largest pinewood sawmill in Bollsta inaugurated a new automated and robotized dry sorting line as well as a CT scanner which is generating high volume and value yields from the sawlogs using a unique X-ray equipment.

All of these strategic growth projects are strengthening SCA's competitiveness and providing the company with a good position for the time when the global economy rebounds in earnest.

"SCA's high degree of self-sufficiency in strategically important areas, such as wood raw material, energy and logistics, has contributed to security, stability and good profitability."

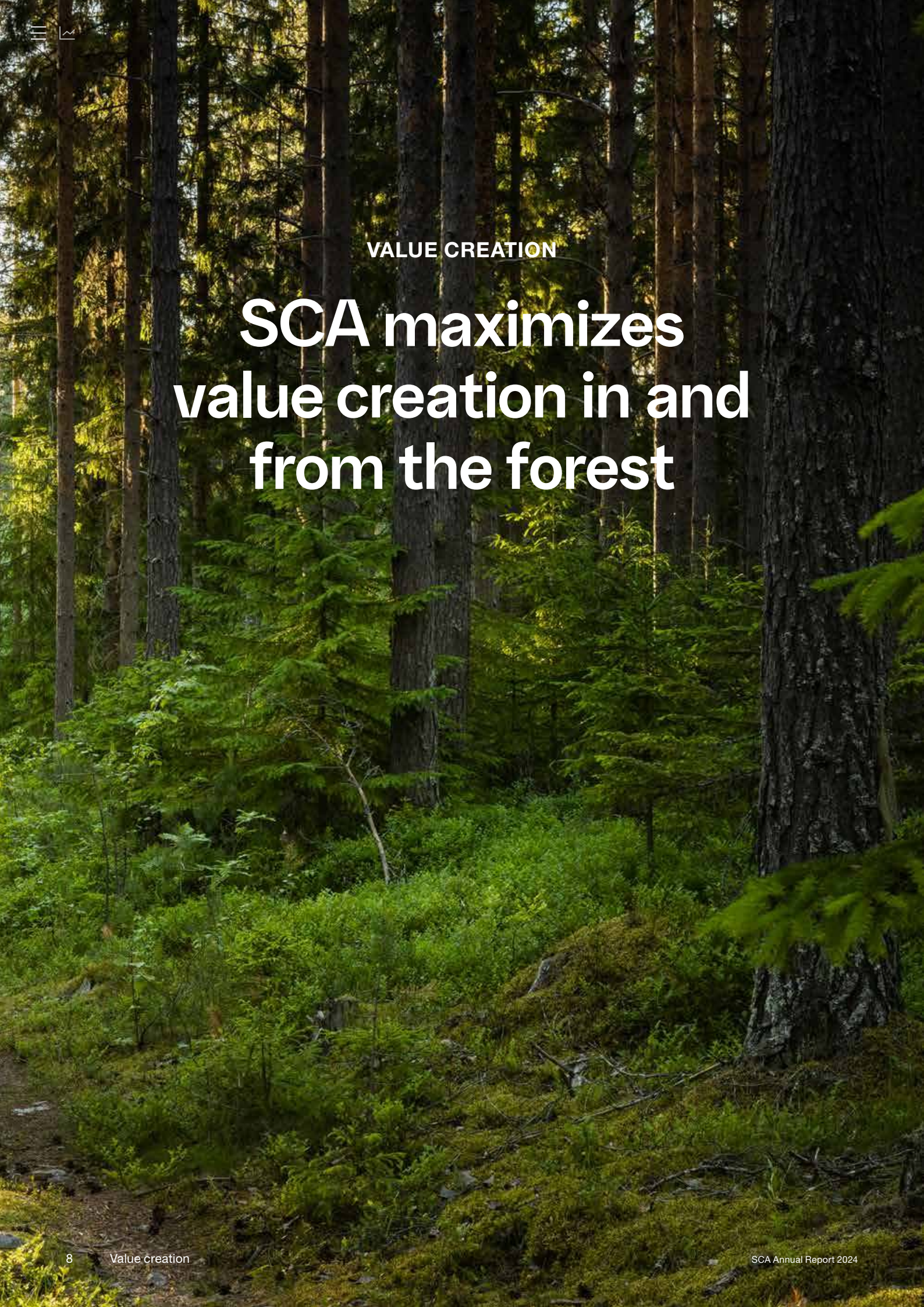
All forest values

We nurture and manage the forest to ensure the gradual increase of its contribution to a sustainable future. Last year alone, SCA's forests and the renewable products produced by its industries created a total climate benefit of 12.3 million tonnes of CO_2eq. This means that SCA offset just over 25% of Sweden's total greenhouse gas emissions in 2024.

Concurrently, we create thousands of jobs in northern Sweden, tangibly contribute to Sweden's trade balance and nurture all of the forest's other values, its biodiversity and the experiences in nature that it offers – as well as the forest as a base for other businesses.

As a shareholder in SCA, you own part of our growing forests and a strong, well-invested network of industries built by the company over the years. You are also part of the positive added value that SCA creates for Sweden and the climate.

Ulf Larsson
President and CEO



VALUE CREATION

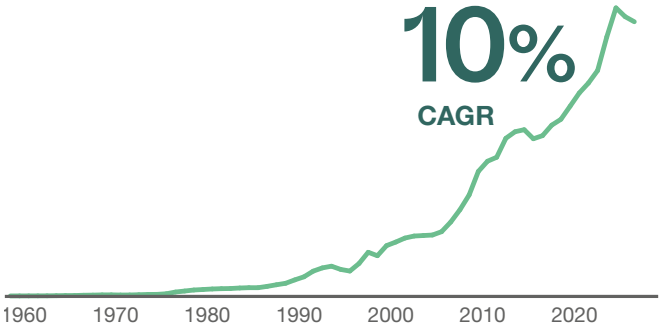
SCA maximizes value creation in and from the forest

What to expect as a shareholder in SCA

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 m^2 of land. Around this renewable resource, SCA has built a well-invested value chain 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 1956–2024)



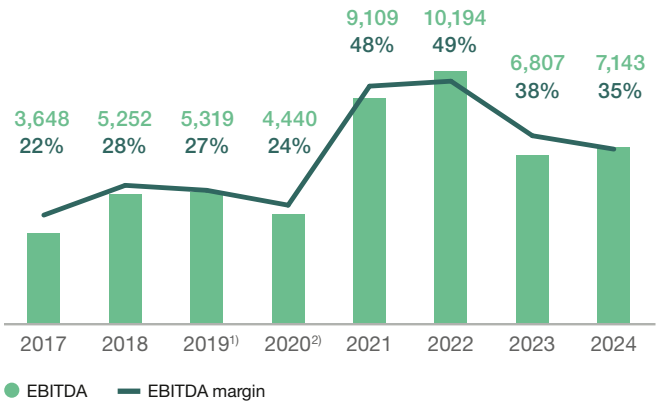
With 2.7 million hectares of land, SCA is Europe's largest private forest owner. Forest is a real asset that protects against inflation, generates stable profitability and value growth. Since 1956, forest assets have provided an annual total return of about 10%.

→ Read more on page 41.

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



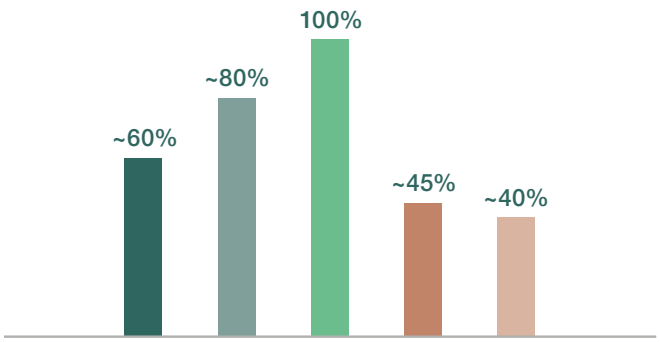
SCA is a forest company with modern, well-invested industries close to the forest holding. Important investments in the future are taking place in all product areas that increase production, quality and competitiveness. The robust project portfolio comprising strategic capital expenditures in forest and industry ensures long-term competitive returns.

→ Read more on pages 34–35.

[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



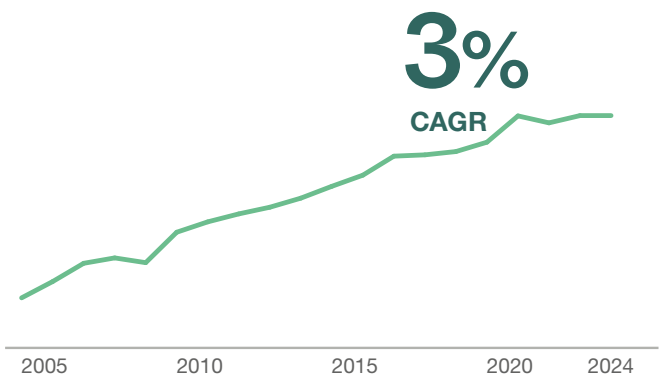
SCA uses the entire tree in an industrial ecosystem, ensuring efficient use of resources with a high degree of self-sufficiency in wood raw material, energy and logistics that largely counteracts cost increases. In parallel, competitive industries have a high payment capacity for wood raw material and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

→ Read more on pages 28–29.

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

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, 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 forest have an increasingly important role to play in the transition to a more sustainable society.

→ Read more on pages 36–59.

Source: Numera.
CAGR: Compound Annual Growth Rate.

SCA contributes climate benefit corresponding to more than one quarter of Sweden's emissions

SCA's climate benefit 2024

Growing forest binds CO_2. Combined with higher production of renewable products and investments in sustainable technology, SCA's climate benefit is increasing. In 2024, the total climate benefit from SCA's forests and manufacturing industries amounted to 12.3 million tonnes of CO_2eq. SCA is also one of Europe's leading producers of renewable bioenergy, which helps to mitigate climate change.

→ Read more on pages 16–17.

- Forest carbon
- Emissions in the value chain
- Wood-based carbon
- Climate benefit 2024
- Prevented emissions

Forestry forms the foundation of vibrant communities

Sweden is made up of forest and the forest builds Sweden. About 70% of the country's surface is covered by forest, and forestry is an important driver in building prosperity in local communities across the country.

The large Swedish forest landscape, totaling around 28 million hectares, is a national asset in which each individual tree produces benefits for a very long time. Hundreds of millions of new trees are systematically planted in the country during each snow-free season. Unfortunately, a significant proportion of these trees – and in some areas far too large a share – is eaten by cloven-hoofed game. Sustained efforts to keep grazing damage at an acceptable level strengthens value creation.

Seedlings that have not been eaten become mature trees that act as carbon sinks for many decades, often 100 years, and accumulate larger and larger carbon stocks in the standing forest. Carbon storage slows when the trees are finally fully grown. At this stage, the trees are harvested and turned into renewable products that create economic value while continuing to provide climate benefit. During harvesting, parts of the forest are retained as part of consideration for biodiversity. Over a longer period of time, new structures are created in the forests with a greater variety of age and tree species. After harvesting, each harvested tree is re-planted with 2–3 new seedlings. The new trees grow up to new forest that absorbs CO_2. The growth, and thus the uptake of CO_2, peaks when the trees are about 30 to 60 years old.

How SCA creates global benefits

Large parts of the harvested stems become long-lived products, such as climate-smart products used in the construction sector, which can replace other fossil-intensive building materials. In this way, the raw material can continue to serve as carbon storage in buildings for a long time. Some of the wood raw material and sawmill side streams are turned into other products, such as paper, which is useful in providing a renewable alternative to replace plastic in packaging materials, for example. In many cases, paper products are recycled several times to maximize the usefulness of the fiber during its lifetime. Once the products have served their purpose, they can be incinerated and turned into bioenergy. The CO_2 that is released is returned to the atmosphere to be bound in new growing forests in the circular loop.

Managing forests in this way creates a positive climate effect each year of almost 100 million tonnes of CO_2eq. These processes create about 140,000 Swedish jobs, often in rural areas, and nearly SEK 200bn in export revenue.

SCA, which owns 2.7 million hectares of forest land, is an important part of Swedish forestry, and through its operations, it benefits individuals in Swedish local communities as well as the global green transition.

SCA's global value creation has its base in northern Sweden, where almost all of the company's forest holdings are located. SCA employs more than 3,000 people who, through these jobs, strengthen the financing of welfare services in rural municipalities. In counties where SCA operates, the forest industry contributes to the financing of social services equivalent to several thousand welfare jobs. The organisation Skogsindustierna has estimated that in Västernorrland alone, over 2,500 welfare jobs are funded by the forest industry. SCA's operations also provide local forest owners with a strong industrial partner to sell timber to or with which to conduct other forestry business.

The economic value created in the industries also generates long-term value for the forest holdings of private individuals in northern Sweden.

Economic value creation 2024

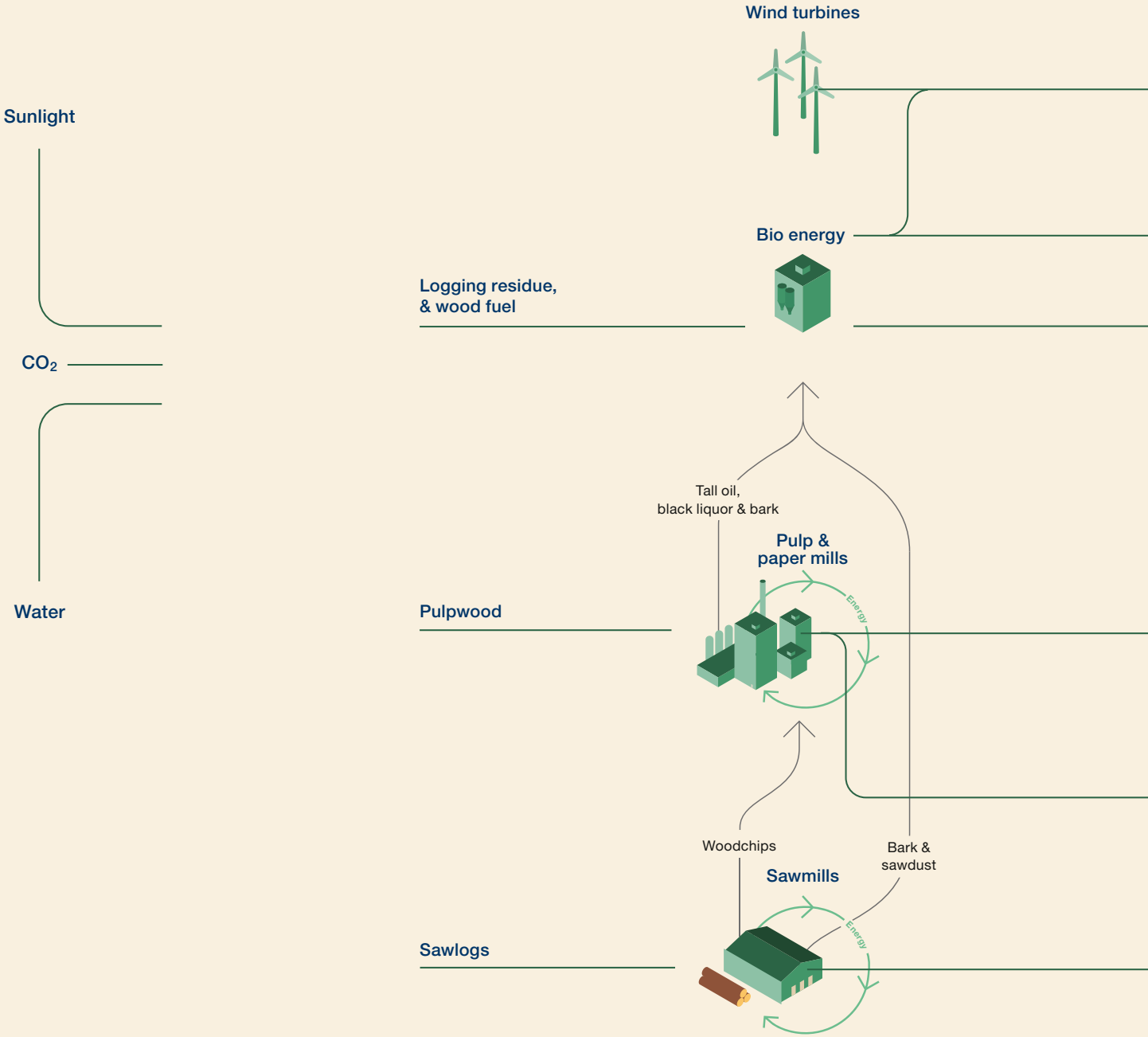
The bar represents the total inflow into SCA

- Payments to suppliers, including private forest owners
- Salaries, social security costs, etc.
- Paid taxes
- Investments in future value creation in forests and industry
- Dividend to shareholders
- Other

SCA's operations generate economic value for shareholders, employees, suppliers, investors and society.

Growing forests make the green transition possible

Trees from SCA's well-maintained and growing forests are at the core of our business. For maximum resource efficiency, the entire tree is used, and by-products from sawmills and pulp mills, for example, are further refined. This is financially efficient and climate-smart, while also helping society replace fossil materials and fuels.



The forest forms the foundation for operations...

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

Electricity

Heat

Pellets

Liquid biofuels

Pulp

Containerboard

Solid-wood products

...that produce renewable products...

Profitable growth

Fossil-free world

More valuable forests

Efficient use of resources

...and sustainable development while generating value in society.

SCA's value creation requires harvesting renewable raw material from the forest. SCA therefore initiated its own forest machine operator training program during the year to increase availability of the right skills in northern Sweden.

SCA initiates its own training program for forest machine operators

Forest raw material is needed for SCA's efficient industries to deliver climate-smart products that can replace products with a large fossil carbon footprint, such as plastics, concrete or steel. In addition to steadily growing forests, it is necessary to have a solid, efficient value chain between the forest and the finished products, and the machine operators who work in the forest play a key role here.

For some time, forestry organizations such as Gröna Arbetsgivare and Skogsentreprenörerna have been warning that the public education system is not training enough machine operators to meet future needs.

SCA has a growing need for operators, following its investments to increase production capacity in several industries, and shares this view. SCA has therefore started its own machine operator training program.

"We consider it an investment in the future and hope that others will follow, both other forest companies and the public sector, which should be interested in training people to fill vacant jobs," says Jonas Mårtensson, President of the Forest business area.

The training programs take place twice each year, run for 22 weeks and include plenty of practical work. The students also have a paid temporary contract during the training period. The aim is for students who complete the training to be offered a job either on one of SCA's machine operator teams or with one of SCA's contractors.

More than 200 people applied to the first training session of 2024, which was held in Sollefteå, and of these, 12 were accepted.

"Interest has been overwhelming. This indicates that there is plenty of interest and that with persistence, we can eliminate the shortage of operators. It also creates social value, providing society as a whole with jobs in rural areas, and improves the supply of skills for our contractors," says Anna Schönström, Head of the production department at the Forest business area.

Our ambition is to continue to carry out the machine operator training program twice a year.

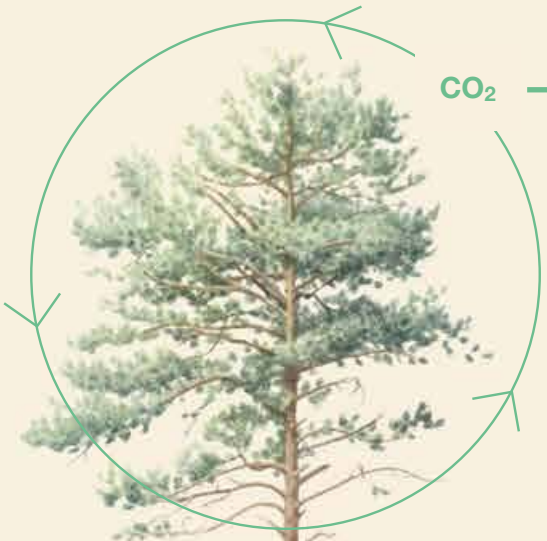
"We view this as a marathon and are still just at the beginning of the race. So far, we have had a good pool of students consisting of both young men and women as well as people with other professional experience who want to retrain, so we believe it will be a valuable addition to the forest industry," says Anna Schönström.

Wilma

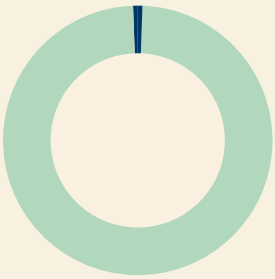
SCA's climate benefit

SCA's responsibly managed and growing forests bind CO_2. The net volume of bound CO_2 increases when growth is higher than harvesting. Harvested timber is used in products that store carbon and enables the phasing out of fossil carbon.

Growing forest binds CO_2



SCA borrows biomass from nature's green carbon cycle to make products



Growing trees capture and bind carbon dioxide (CO_2). The more they grow, the more carbon they bind. With net growth in SCA's forests, this carbon stock is constantly increasing in growing forests and forest land.

SCA utilizes part of this growth as renewable raw material to manufacture products that enable the phasing out of fossil carbon. Fossil carbon can thus stay in the ground and forests can remain vigorous and growing.

Active forest management encourages growth

– Improved seedlings.
– Active silviculture.
– Contorta pine.
– Fertilization.

SCA's renewable products replace non-renewable products

Bioenergy

Pulp

Packaging paper

Solid-wood products

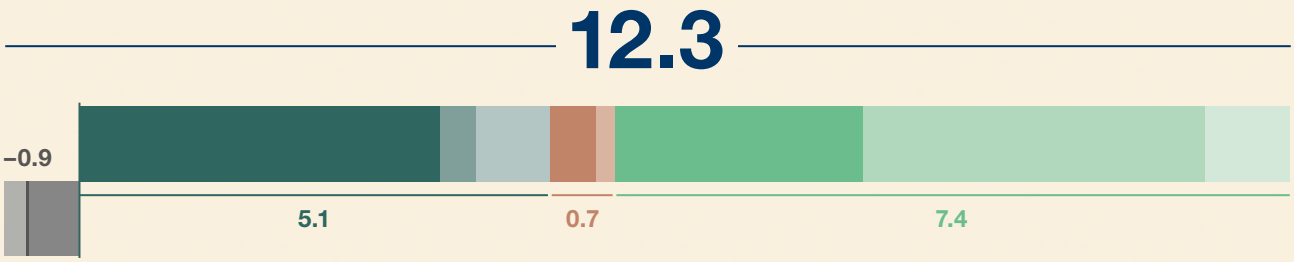
SCA offers products that replace alternatives with a higher environmental and climate impact, thereby contributing to the success of its customers and the sustainable development of society. At the same time, emissions in its own value chain are steadily being reduced.

Carbon is stored in renewable products during the lifecycle of the product

Carbon from the forest is stored in products for a shorter or longer period, depending on the lifecycle of the products.

SCA's climate benefit corresponds to more than one quarter of Sweden's emissions

million tonnes of CO_2eq



Emissions in the value chain

Total emissions of fossil carbon in the value chain, from forest operations to customers.

- Scope 1, direct emissions, –0.3
- Scope 2, purchased electricity and energy, < –0.1
- Scope 3, purchased goods and services, –0.6

Forest carbon

SCA's growing and well-managed forests bind CO_2.

- Net uptake in own forest, 3.9
- Low-productive forest land, 0.4
- Soil carbon, 0.8

Wood-based carbon

Carbon from the forest is stored in products.

- Solid-wood products, 0.5
- Paper and pulp, 0.2

Prevented emissions

SCA's renewable products can replace non-renewable products.

- Solid-wood products, 2.7
- Pulp and paper, 3.7
- Bioenergy, 1.0

For more information, refer to Sustainability disclosures, page 146.

New global standard for climate calculations

SCA's business goes hand in hand with the forest and the products' capacity to create climate benefit. SCA's high ambitions, which have included climate reporting since 2018, have led to a new global ISO standard through international cooperation.

For full-year 2024, SCA reported a total positive climate benefit of 12.3 million tonnes of CO_2eq.

For several years, SCA has reported climate benefit based on holistic calculations, the purpose of which has been to estimate the total climate benefit from the forest and renewable products after deducting the value chain's fossil emissions.

Through an international cooperation between the forest industry and other stakeholders, the reporting has been further developed into a series of new global ISO standards called Wood and wood-based products – Greenhouse gas dynamics (ISO 13391/FDIS 13391 parts 1 to 3).

The new series of standards creates the conditions for a fair comparison between individual companies and forest regions.

The aim of the model is to calculate and understand the contribution of forestry to climate change by analyzing the carbon balance of forests, the positive contribution of products to the transition and value chain emissions.

The new series of standards helps SCA quantify the total climate effect by taking into account multiple factors and can help customers make fair comparisons between product options.

Net uptake of carbon in the forest.

Carbon stored in wood-based products.

Reduced use of products with large carbon footprint.

Fossil emissions in the value chain from forest to customer.

Total climate benefit (net) from the forest, forestry sector and forest-based products.

Carbon balance: The series of standards measures how much CO_2 forests sequester as trees grow, and the amount released during harvesting and biomass degradation. The standards also calculate the total capacity of forests to act as a carbon sink.

The products' major benefit as carbon stock: The series of standards includes the entire life cycle of forest products, from harvesting to the end consumer, in order to estimate carbon storage in wood-based products. Long-lived products, such as construction timber, keep CO_2 out of the atmosphere for a longer time, and short-lived products, such as solid biofuels, store carbon for a shorter time.

Emissions from operations: The series of standards also measures emissions from forestry operations, such as fossil emissions from transportation and industrial activities.

These negative items are deducted from the positive climate contributions to provide an overall net effect.

The potential of products to replace fossil fuel emissions: The series of standards estimates the immediate and permanent benefits that can potentially be created when a renewable bio-based product is used instead of other alternatives with a larger fossil footprint. This could be when wood is used instead of concrete, steel or glass, or when biofuels are used instead of oil.

Using the new ISO series of standards, forestry companies can measure and increase their own climate benefit, thereby helping to achieve climate goals such as reducing net emissions of CO_2 in their own operations as well as those of customers and consumers.

Long-lived products, such as solid-wood products, keep CO_2 out of the atmosphere for a longer time.

SCA
SCANIA
ZMK 16J

SCA has adopted the role of a forest pioneer in electrified heavy road transportation. In 2024, exceptional progress was made when the world's first full-sized electrified timber truck began regular operations.

Electric timber trucks reduce fossil fuel emissions

Since 2022, the world's first electric timber truck has been driving between one of SCA's timber terminals and the kraftliner plant in Obbola outside of Umeå.

A completely new step was taken in 2024. As part of a collaborative project called Transition to Efficient, Electrified forestry transport (TREE), SCA has made it possible for a local haulage company in Västernorrland to own a new, 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. It is the first electrified timber truck in the world to have this capability and to be put into regular operation to collect raw material from the forest.

"It is both a pleasure and important that this is taking place together with a local hauler in northern Sweden. A large part of the country's freight transport is entirely dependent on these haulers and their role will therefore be crucial in transitioning transportation. By removing the financial risk for the individual hauler, we make it easier for them to test electric power," says Jonas Mårtensson, President of the Forest business area.

The new vehicle is based at the Östavall timber terminal in Ånge and has its own dedicated charging station. The supplier of the electric timber truck has estimated that the vehicle has a range of 320 kilometers, and it is scheduled to be used for transportation up to 200 kilometers.

Overall, this means that the vehicle is expected to save 170 tonnes of CO_2 per year.

"As a company, we are strongly climate positive as a whole, but we are continuing to improve our positive contribution by gradually reducing fossil emissions. The main challenge is in heavy raw material transportation, where every single timber truck counts," says SCA's Vice President Sustainability Per Funkquist.

For full-year 2024, SCA reported a total positive climate effect of 12.3 million tonnes of CO_2eq. An important aspect of further enhancing the benefits is to reduce negative items in the climate calculation. Transportation emissions are a significant part of these items, amounting to 435,000 tonnes of CO_2 for the year.

"Electrification is challenged by the fact that vehicles are currently expensive and electricity infrastructure for heavy transports is in its infancy. Biofuels are another possibility, but this requires policies that create a more predictable playing field in the future. The transition will rely on a mix of different solutions, but every single transport journey matters and we are proud of each new step we take," says Per Funkquist.

A green global bioeconomy lays the foundation for sustainable development

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

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

These are growing forests in which every harvested tree is re-planted with 2–3 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.

For some time now, a parallel project has been underway in which active improvement initiatives are combined with low-impact forestry methods and increased consideration for natural environments and biodiversity. Over time, this changes the forest's structure and gradually moves it toward a richer range of important habitats.

SCA uses a sustainability platform based on the UN Sustainable Development Goals, stakeholder expectations and business intelligence as a means of support to verify the various sustainability perspectives. The sustainability platform and the targets are regularly revised to remain aligned with current knowledge and the overall strategy of the business.

People and value-based culture

Target: An accident-free and healthy SCA where all employees comply with SCA's Code of Conduct.

The company's Code of Conduct and Supplier Standard help managers, employees and suppliers to act in line with SCA's values.

Profitable growth

Target: Leading total shareholder return (share performance including dividends).

A leading performance with a stable and increasing dividend to shareholders forms the foundation for a strong financial position and long-term sustainable value creation.

Fossil-free world

Target: Climate benefit of at least 10 million tCO_2eq per year.

High net uptake of CO_2 in the forest, low fossil emissions and the manufacture of climate-smart products counteract global warming.

Valuable forests

Target: SCA is to manage its forests to make them at least as rich in biodiversity, nature experiences and raw material in the future as they are today. 100% of wood raw material shall come from responsibly managed forests.

The forest's value is preserved and developed through responsible use of SCA's own forest, full traceability in external timber procurement and close collaboration with authorities, suppliers and stakeholders.

Efficient use of resources

Target: Zero waste, meaning nothing goes to waste.

SCA maximizes value creation from the forest by ensuring the entire tree is used in resource-efficient processes with a reduced impact on water and air.

Vibrant communities

Target: SCA contributes to sustainable development in the communities in which we operate.

SCA actively contributes to sustainable development in the communities where our forests grow and where our products are manufactured and used.

SCA's nature conservation strategy

SCA aims to actively protect biodiversity. This requires planning and consideration when we manage forests, as well as active efforts to improve conditions for biodiversity in carefully selected locations.

Through responsible management of the forest and efficient use of wood raw material, SCA generates significant climate benefit while taking into account the various values of the forest. SCA is to manage its forests to make them at least as rich in biodiversity, nature experiences and raw material in the future as they are today.

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.

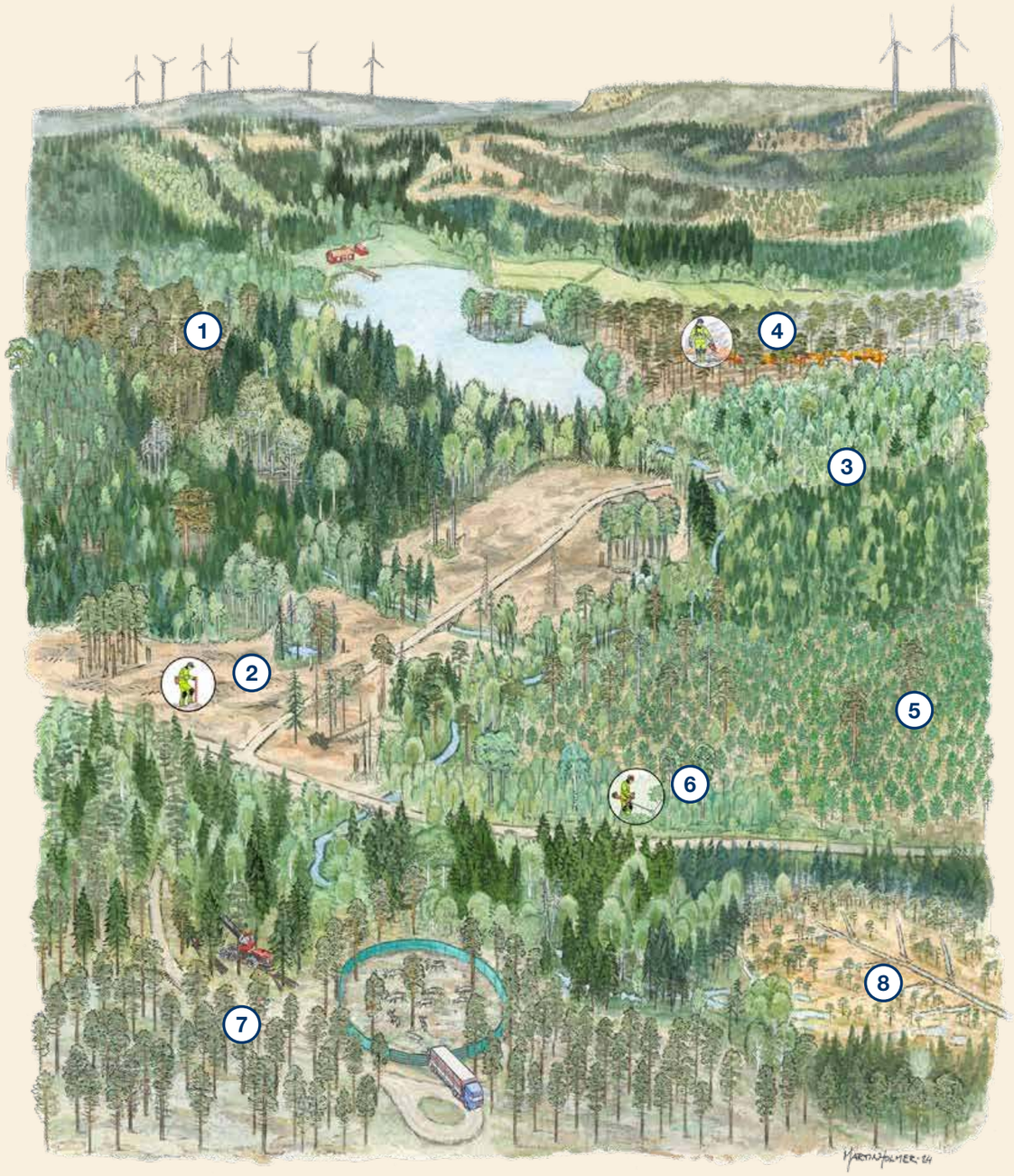
Some of these relate to environments that are left undisturbed for a long time, while others relate to environments that need to be constantly recreated in the forest landscape, such as fire-razed areas or older broad-leaved forests.

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 – 2024	Forest landscape in 40 years – 2064
1	Forest areas of very high conservation value, such as this pine forest, are set aside from harvesting. Further down the slope is another set-aside area, an older spruce forest. There, the large proportion of deciduous trees indicates that the forest was previously very thin, probably after heavy felling more than a hundred years ago when selective cutting of the largest trees took place.	Older forests that are not affected by fire, storms or insects change very little in 40 years. Unspoiled conditions or slow changes are important for many species, particularly in spruce forests. Some older trees have begun to die in the spruce forest and the growth of the forest has come to a halt. Set-aside forests produce less climate benefit than managed forests but are important for biodiversity.
2	Freshly harvested area with living and dead older trees, which stand individually or in groups. Spruce is planted on moist soil and pine is planted on the rest of the regeneration area.	The clear-cut area is now a forest that will soon be thinned. The old conservation trees, tree groups and buffer zones remain. Some dead wood remains, while new dead wood has been formed by the retention trees left 40 years ago.
3	Broad-leaved forests provide important habitats for many species and create variety in the forest landscape. The upper stand is young broad-leaved forest that was cleared ten years ago. The lower stand is on moist soil suitable for spruce. It was cleared to create a spruce forest.	This landscape is one of SCA's consideration areas. The upper stand, the broad-leaved forest, is becoming mature enough for harvesting. The harvesting will have a combined target that will involve the extraction of timber and biodiversity benefits. The regeneration aims to create a new broad-leaved forest. The lower stand will be thinned and become a spruce forest that is ready for harvesting in a few decades.
4	In the past, natural forests in northern Sweden burned frequently but irregularly. Many species are therefore dependent on burnt land and burnt wood. SCA burns forest every year to ensure the creation of this habitat. This area was set aside after burning.	A regeneration of pine took place following the burn and the area is becoming a fine, multi-layered pine forest. Prescribed burning remains an important nature conservation measure in SCA's forests.
5	Young, newly cleared contorta pine forest. The contorta pine originates from North America and is fast growing. To create variety and habitats, native tree species were left when the previous stand was harvested. Native tree species were also left when clearing the contorta pine forest.	The contorta pine forest is nearly ready for harvesting. After harvesting, SCA could decide to continue planting contorta pine and utilize the higher growth of the species, or decide to plant Swedish pine.
6	Newly cleared young pine forest. The part closest to the road will become a broad-leaved forest after clearing.	Initial thinning has begun in the pine forest and deciduous trees are left to create variety. The broad-leaved forest closest to the road has already been thinned once and it will soon be time for another thinning.
7	The reindeer-herding Sami have the right to graze reindeer on large areas of SCA's and other forest owners' land. SCA consults with the Sami communities and takes the needs of reindeer herding into account in various ways. Here, SCA has thinned the forest and left a screen of seed trees with tree groups. Fixed installations are rare but important in reindeer herding. The picture shows a reindeer pen used to gather the reindeer for road transport by truck.	The seed trees were removed about ten years ago. The new stand contains some old retention trees with hanging lichen and young, naturally-regenerated pines. The young pine forest was cleared when the trees were a few meters high to benefit ground lichens, an important food for reindeer.
8	Wetlands are important habitats. Wetland habitats can be restored by blocking older ditches. Positive results are often seen within a few years.	The wetland is beneficial for many species, for example wading birds. It also serves as a natural regulator and purifier for the water as it passes through the forest landscape.

The forest landscape today – 2024

The forest is constantly changing and growing. This requires a vision of how to manage the forest sustainably, which includes both biodiversity and high growth as well as a continued climat benefit.



The forest landscape in 40 years – 2064

By acting wisely and showing consideration, we ensure that there will be a diversity of habitats in the future. This is the outcome we expect in 40 years, as a result of planning and active measures today.

STRATEGY AND OPERATIONS

SCA is well equipped for the future

SCA and the macro environment

SCA's well-invested industries, competent employees and high degree of self-sufficiency give the company a stable ground in turbulent times. Throughout the year, war in Europe and the conflict situation in the Middle East have contributed to market uncertainty. At the same time, global inflation has slowed markedly.

At the start of 2023, the Swedish core inflation (CPIF) was in double digits and thus well above the Riksbank's inflation target of 2%. Since then, the inflation situation has gradually eased and for parts of the past year, inflation has been below the inflation target.

This has enabled the Riksbank to change its interest rate policy and cut the policy rate in several steps.

The situation is similar in many other major economies, where inflation appears to have subsided and their central banks have started to cut policy rates. This offers hope for increased optimism and a stronger global economic trend moving forward than in 2024.

Despite the challenges, there is a rising long-term and structural need for climate-smart forest products and renewable energy. This demand is likely to give SCA a competitive advantage, both in the short and long term, by strengthening the company's position in the market.

Weak market conditions but promising future for solid-wood products

In 2024, the market for solid-wood products was characterized by the lowest production level in a decade, driven by global inflation concerns and higher interest rates that have dampened new construction. Despite these challenges, SCA has a strong position thanks to its efficient sawmills and high level of self-sufficiency in wood raw material. For example, Bollsta sawmill is well equipped for an economic upturn through new advanced X-ray technology and digital processes. This has improved both efficiency and product quality, enabling precise customization to customer needs.

Pulp market offers a glimmer of light

SCA's pulp mills – Östrand kraft pulp mill and Ortviken CTMP mill – have shown a stable performance despite challenging market conditions over the past year. Both plants are among the most modern and efficient in the world, which has contributed to increased productivity and profitability.

The Östrand mill produces high-quality bleached softwood kraft pulp, which is in demand for tissue paper and packaging. New investments have improved both efficiency and environmental performance. At the same time, the Ortviken plant has increased SCA's production of CTMP, which is mainly aimed at European customers.

Despite market challenges, conditions in the first half of the year enabled price increases and gains in market share, although this development slowed in the second half of the year.

Sustainable packaging material returns to normal trend

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 last year, the market for kraftliner and containerboard appears to have returned to normal and stable growth, with an annual increase in demand of a few percent. Demand continues to be driven by growing e-commerce and complex supply chains. SCA is Europe's third largest producer of kraftliner and has a robust position, offering a broad product portfolio that includes specialty products from Munksund and Obbola. Long-term demand for kraftliner is expected to continue to grow, which provides SCA with a bright outlook.

The pulp market has seen stable development in recent years.

Limited supply of wood raw material

SCA's strategy for growth is largely based on the company's substantial forest holding, which is crucial in supporting the production of climate-friendly products, for which there is healthy global demand. For a number of years, several concurrent factors such as the Russian war of aggression against Ukraine, forest fires in North America, pest infestations in Central Europe and political constraints on forestry, have slowed the supply of wood raw material.

These challenges have increased the economic and strategic value of SCA's forest holding. This is particularly true at a time when global political developments are imposing increasing demands on fossil-free and circular products that other manufacturers are putting on the market. With an annual climate benefit of 12.3 million tonnes of CO_2eq, SCA is well positioned to make a significant contribution to the fight against climate change.

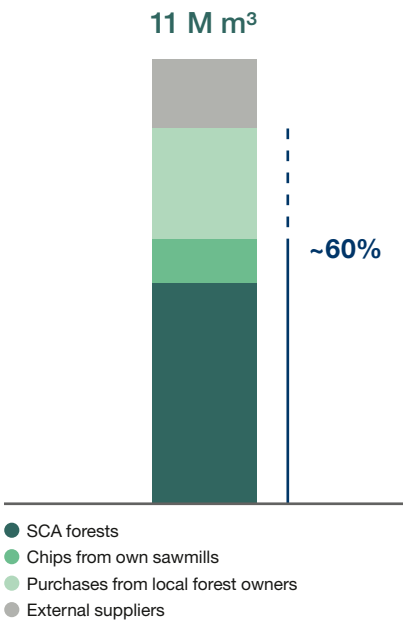
Self-sufficiency as a strategic resource for increased control

SCA has a high degree of self-sufficiency through its integrated value chain. Self-sufficiency is thereby a strategic resource that provides greater security. SCA's own large forest holding, energy production and logistics operations create the basis for good cost control.

Wood raw materials

~60%

Degree of self-sufficiency

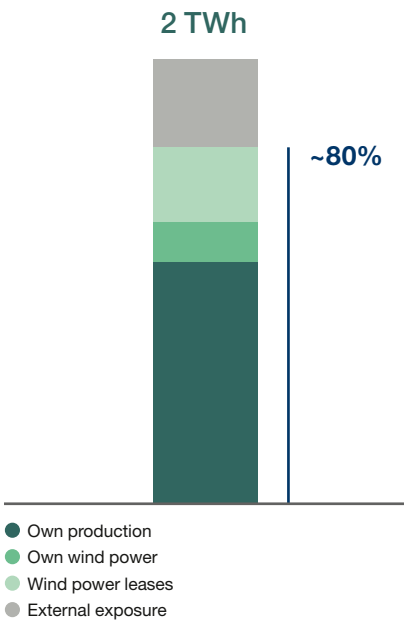


More than half of SCA's raw material needs are provided by wood from SCA's forests and chips from the company's own sawmills.

Electricity consumption

~80%

Degree of self-sufficiency

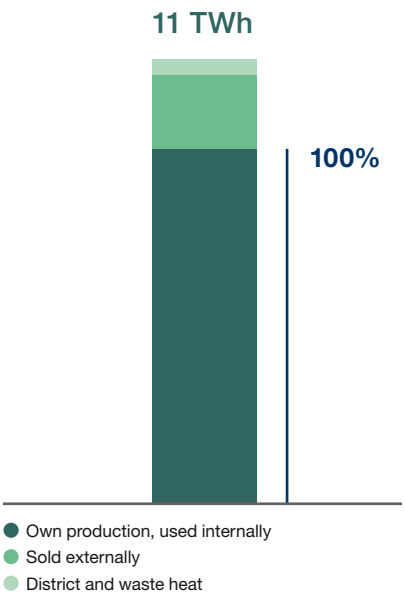


SCA's industries produce green electricity corresponding to approximately 1% of Sweden's consumption. In addition, wind power produces green electricity on SCA's land.

Solid biofuels

100%

Degree of self-sufficiency



As one of Europe's largest manufacturers of 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 hub 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 level of self-sufficiency for wood raw material provides security of supply and cost control, as well as a basis for long-term and strategic development.

Energy is another area in which SCA has a high degree of self-sufficiency or provides a surplus to the market. The production of green electricity in the company's own facilities and lease income from its own wind power largely correspond to the electricity consumption. With production in balance with SCA's consumption, a level of cost security is achieved in periods of fluctuating electricity prices.

In respect of biofuel, SCA has a significant surplus to offer customers outside the company. There is untapped potential in this area when demand increases for renewable energy as an alternative to gas and other fossil sources.

After several years of widespread disruption in global and European logistics chains, significant value can be gained from SCA having its own logistics organization, with three of its own vessels, to maintain the supply of raw materials and input goods and to guarantee secure customer deliveries.

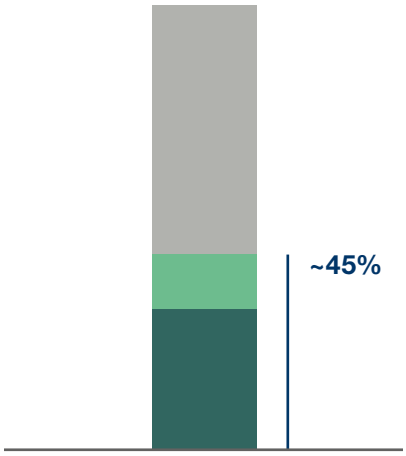
SCA also has a substantial buffer in respect of transportation fuels. Through delivery of tall oil for fuel production, SCA is partly compensated for high fuel costs. In addition, SCA's jointly owned biorefinery in Gothenburg started production of biofuels in late 2023/early 2024.

Logistics

~45%

Degree of self-sufficiency

SEK 3 bn



- Own vessels and terminals
- Long-term contracts
- External suppliers

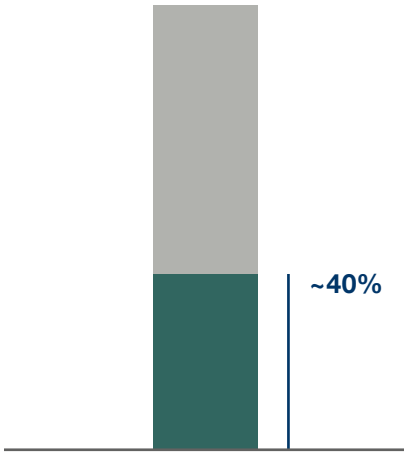
SCA has a logistics organization that operates its own vessels and terminals. This helps SCA counter market turbulence and secure customer deliveries.

Transportation fuel

~40%

Degree of self-sufficiency

130 ktonnes



- Tall oil and turpentine
- External exposure

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

SCA's strategy for profitable growth

High degree of self-sufficiency

Increased value from each tree

Growing, renewable forest assets

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

A new and improved port in Sundsvall provides new opportunities for SCA's seaborne freight transportation. The conditions are now in place to accommodate larger vessels that can make transportation more efficient in terms of both emissions and cost.

New container port yields more efficient transport

After more than a decade of planning, administration and construction, the Gulf of Bothnia's deepest port, 15 meters, was completed and formally inaugurated in early summer 2024. The hub of SCA's logistics operations has also been strengthened with a brand-new logistics center in Sundsvall, a new intermodal terminal and public investments in the surrounding strategically important railway.

"This provides a considerable boost that will significantly strengthen our ability to be competitive in an expanding global market. We now have a logistics hub that offers us an improved toolbox to work with and we can further develop our logistics solutions," says Magnus Svensson, President, Sourcing & Logistics.

The new logistics hub in Sundsvall will benefit the climate and environment as more raw materials can be moved from road to rail transport. It will also reduce urban heavy traffic, which has many social benefits.

"We handle a heavy, bulky raw material, so when it is possible to transfer flows to rail, we can sharply reduce the number of small transport journeys. It is cost-effective, reduces emissions and also improves the traffic environment for local residents," says Magnus Svensson.

The single greatest advantage of SCA's new container port is the water depth, which allows us to receive larger vessels than the current capacity permits – both container vessels and break bulk vessels. The investment in deepening the port also strengthens the capacity to handle goods that are expected to increase in volume in the region over time.

"Larger vessels ultimately result in lower costs and lower emissions per tonne of freight transported compared to smaller ships. This will be important in a business where a large share of the costs lie in transportation and where the requirements to reduce emissions are increasing," says Magnus Svensson.

SCA

Optimizing commissioned projects for growth and increased profitability

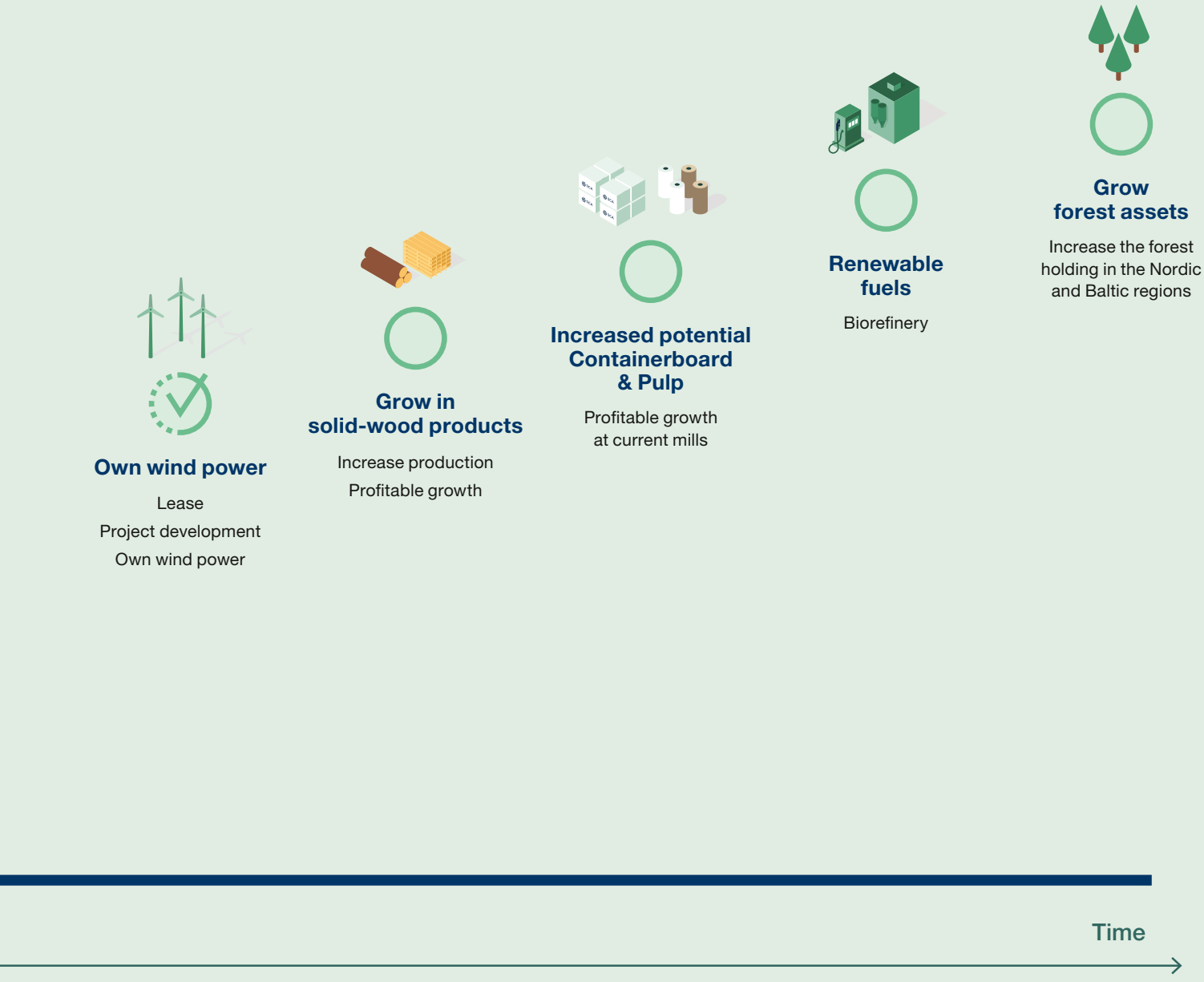
SCA has spent many years developing the company's value chains using a systematic approach to maximize the value of its own forest raw materials. Investments in the industrial structure are not only profitable on their own merits, they also add value throughout the chain, from the forest to the finished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

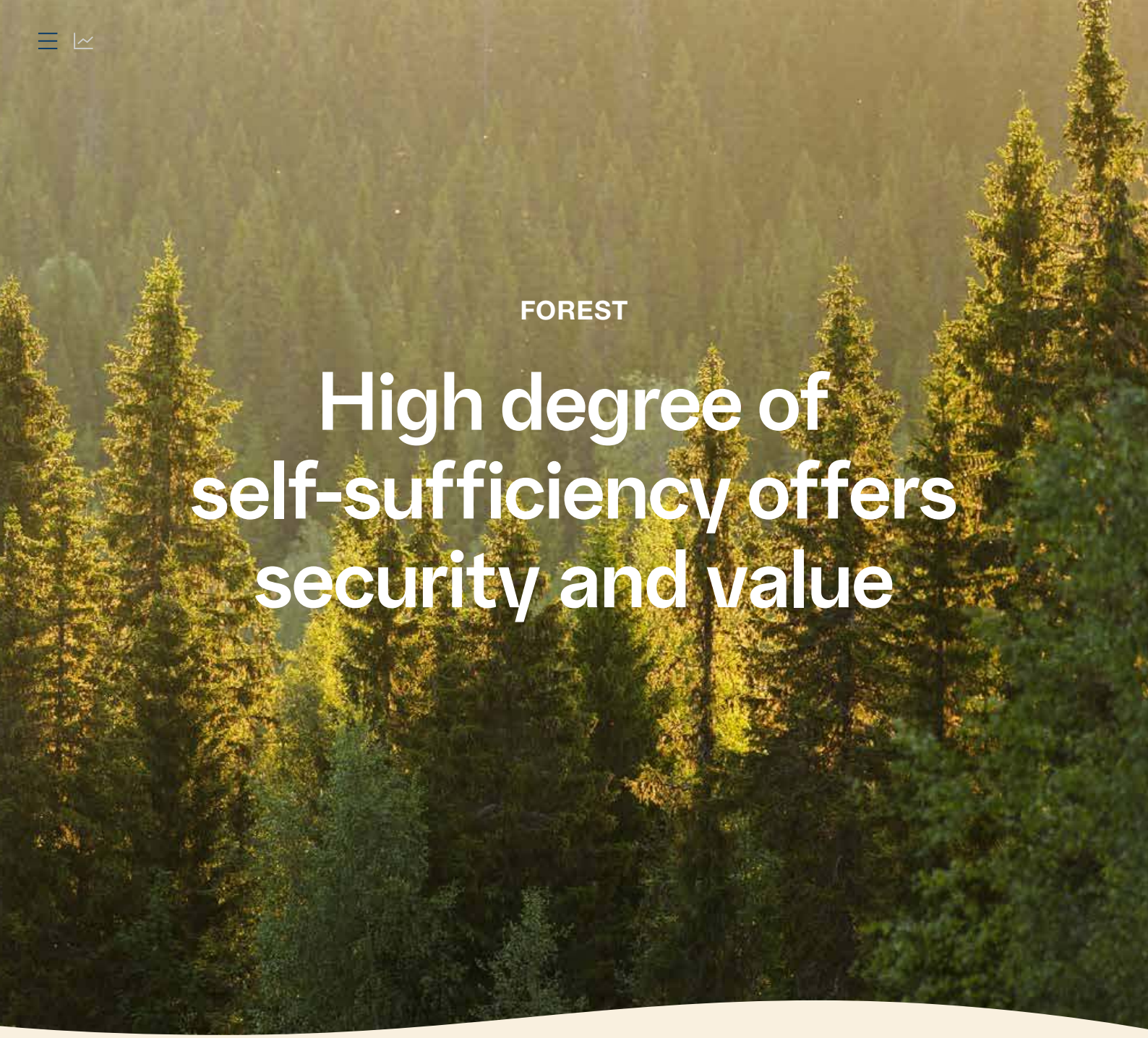
For a number of years now, SCA has invested billions of SEK in industrial projects in northern Sweden and all major investment projects have now been completed. In the past year, the company had a particular focus on optimizing production, which is gradually moving toward full capacity. The production capacity of the kraftliner mill in Obbola has been significantly expanded, and SCA's pulp mill in Ortviken has been upgraded to produce larger volumes. 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. New investments in sawmills, such as the Bollsta sawmill, offer SCA a good position in the global market as a result of its highly efficient facilities. These investments also support the flow of by-products for further processing.

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. SCA has a number of strategically important preliminary projects underway and is actively investigating new expansion opportunities that may arise when the economy rebounds.

To meet growing energy needs as the industry expands, SCA has also begun to produce more of its own electricity, primarily through wind power. This contributes to the company's long-term strategy to be self-sufficient in energy while reducing its carbon footprint.





FOREST

High degree of self-sufficiency offers security and value

SCA is Europe's largest private forest owner with 2.7 million hectares of forest – an area the size of Belgium. This unique resource forms the foundation for the company's operations. SCA works to promote growth in the volume and value of the 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.

Demand for solid-wood products, fiber products and forest-based energy is growing globally. At the same time, supply is limited and in parts of the world, it is shrinking.

A few years ago, Russia was a major supplier of wood raw material and forest products. Timber exports to the Baltic Sea region and Central Europe were particularly extensive. This flow stopped completely following Russia's full-scale invasion of Ukraine. Supplies from Belarus are also severely restricted.

In North America, large areas of forest have been ravaged by fires and suffered from extensive insect damage in previous years. Substantial areas of forest in Central Europe have also been damaged by insects.

Many countries have complicated regulations for managing, owning and using forests, thereby limiting the potential for long-term and active forest management. Ownership structures and access to infrastructure, such as roads and railways, are challenges that forestry must address.

Locally, there is a need to further develop value chains as in some cases, local operators only demand one or a limited number of timber products. Improvements to these value chains in the future could strengthen the profitability of forestry and benefit both existing and complementary industries, which in turn could boost optimism and activity among forest owners.

More than half of raw materials from own sources

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 274 million forest cubic meters (m^3fo), 8 of which are in the Baltic region.

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. Therefore, the company is endeavoring to improve conditions for forest management and timber supply in the country through a combination of land purchases and sales.

More than half of SCA's raw material needs are provided by wood from the Group's own forests. The high rate 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. Due to SCA's investments in its industries, demand for raw materials is increasing. Nevertheless, SCA will retain its unique and high degree of self-sufficiency, even when the newly invested industries are operating at full capacity. The large forest holding provides a reliable supply of raw material, facilitates investments and allows for greater flexibility.

At least two new trees replace every harvested tree. In 2024, SCA's tree nursery delivered 99 million seedlings, of which 47 million were planted in SCA's own forests.

SCA has a well-developed organization for harvesting and silviculture in northern Sweden. Approximately 200 harvesting teams work for SCA. Some of these are teams in which SCA's employed operators work in SCA-owned machines, but most are contractors working on long-term assignments from SCA.

To meet the need for employees with the right skill set, SCA has started its own machine operator training program, which has been very well received. Operators who have completed the training are employed by SCA or by contractors that work for the company.

Important partner 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.

SCA has forest expertise and resources including machinery and skilled professionals, which makes the company an attractive partner for private forest owners. These assets have been built up to manage SCA's own forest, but are also well adapted to take care of third-party forests.

SCA's industries set the value not only of the company's own forest, but also of other forest owners' assets in northern Sweden, Estonia, Latvia and Lithuania.

Share of Group 2024

Timber purchased from private forest owners is supplemented by purchases from other forest companies and some imports from Estonia, Latvia and Lithuania, as well as Norway and Finland.

Forests rich in conservation values
SCA's forests are managed sustainably with the aim of keeping them at least as rich in biodiversity, nature experiences and raw material in the future as they are today. Preserving biodiversity by maintaining the many species of flora and fauna, is one of SCA's most important sustainability targets. Forest areas of high conservation value are set aside from harvesting or managed with respect for conservation value. In all forest management activities, consideration is taken to provide variety and habitats for sensitive flora and fauna.

"Forest land with high conservation value is set aside from harvesting."

Strategy

- Increase growth and harvesting.
- Strengthen competitiveness through increased productivity and efficiency.
- Acquire productive forest land in the Baltic and Nordic regions.
- Increase the precision and quality of biodiversity conservation measures.

Financial key figures

SEKm	2024	2023
Net sales	8,830	7,748
EBITDA	3,531	3,511
EBITDA margin, %	40.0	45.3
Operating cash flow	968	939
Strategic capital expenditures	215	343
Capital employed	88,126	87,683
Return on capital employed, %	3.7	4.0
Harvesting of own forest in Sweden, thousand m^3sub	5,221	4,951
Average number of employees	695	629

Good and secure working conditions for our personnel and contractors' employees constitutes another important area of responsibility.

SCA's forest is certified in accordance with the Programme for the Endorsement of Forest Certification (PEFC) (PEFC/05-23-131) and the Forest Stewardship Council™ (FSC™ C004466). Independent auditors verify that SCA's forest operations meet the certification requirements. Products based on timber from certified forestry can in turn be certified and offered to customers that require proof of certification.

Growth binds CO_2

Growing trees capture and bind carbon dioxide (CO_2). SCA's forests have an annual net growth of nearly three million m³fo of timber, which means that the forests bind a net total of about four million tonnes of CO_2. Growth on low-productive forest land and the net increase in soil carbon, contribute additional uptake and storage of around one million tonnes of CO_2 per year. In total, this is nearly six 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.

Growth is what binds CO_2. The greater the growth, the more CO_2 is bound by the growing tree. As trees age, growth slows and they are harvested and replaced with new growing, vigorous trees. In Sweden and the European Union, there are calls for the forest to remain standing as a carbon stock, a so called carbon sink. However, as the trees in the carbon sink age, they will eventually die and rot, and the CO_2 will be released back into the atmosphere. Older forests are also susceptible to more dramatic events, such as insect damage or fire, where a forest dies on a larger scale and CO_2 emissions rise as a result.

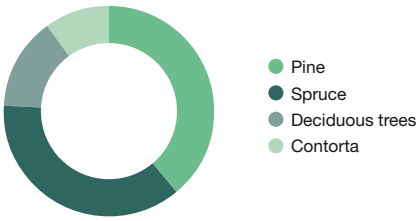
When a forest is actively managed and renewable raw materials are made into products that can replace products with a larger carbon footprint, fossil carbon can remain in the ground. Meanwhile, the forests remain vigorous and growing.

SCA sets aside important habitats for sensitive flora and fauna from forest operations and manages the forests to improve conditions for species with special requirements. At the same time, the company strives to make these initiatives 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.

Growth in SCA's forest in 2024

SEKm	Million m³fo	%
Opening volume	**271**	
Gross forest growth	10.9	4.0%
Natural losses and pre-commercial thinning	–1.4	–0.5%
Available growth	**9.5**	**3.5%**
Harvesting	–6.7	–2.5%
Net forest growth	**2.8**	**1.0%**
Closing volume	**274**	
of which Sweden	266	
of which Baltic region	8	

Forest holding (volume)



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 of Sweden.

In addition to its holdings in Sweden, SCA has forest holdings in Estonia, Latvia and Lithuania. Forests in the Baltic countries have excellent production capacity, which is only utilized to a limited extent for historical reasons.

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.

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 first harvesting calculation conducted in the late 1940s presented a sustainable harvesting level of approximately 2 million solid cubic meters under bark (m^3sub). Through responsible forest management, growth has risen and in the most recent harvesting calculation, the sustainable harvest level was 5.4 million m^3sub for the Swedish holdings, and the company is gradually approaching this level. In the longer term, harvesting can 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.

Since the first forest inventory in the late 1940s, SCA's standing volume has increased by about 80%, while growth and the sustainable harvesting level have more than doubled. At the same time, over these almost 70 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.

The last forest inventory was carried out in 2019 and the standing volume was estimated to be 274 million m^3fo at the end of 2024, whereof 8 million m^3fo in the Baltic region. The forest management plan used for the latest harvesting calculation indicates that the standing volume will continue to rise over the coming decades, while harvesting is simultaneously increasing.

Market valuation of the forest

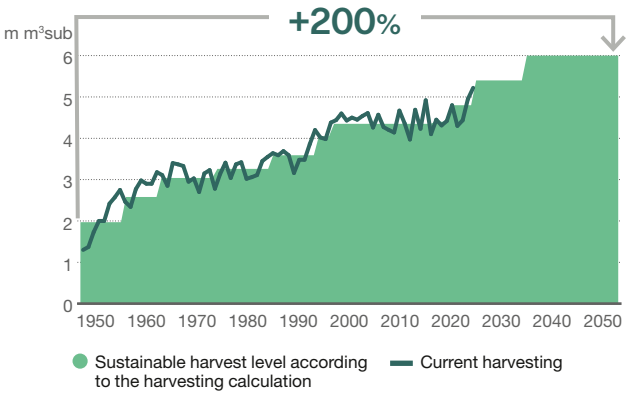
SCA bases the valuation of the company's forest assets on transactions in areas where SCA owns forest land. The average market price over the past three years was used in the valuation of SCA's forest assets. This amounted to SEK 388/m^3fo for the Swedish holding as per December 31, 2024 and to EUR 44.0/m^3fo for the Baltic holding. At the end of the year, SCA's standing timber volume amounted to 274 million m^3fo and the carrying amount of SCA's forest assets to SEK 107.3bn.

A harvester performing thinning in one of SCA's constantly growing forests.

Ludvig & Co and Svefa are two of the main providers of market statistics, and SCA obtains statistics from these two companies to value its Swedish forest assets. To value the Baltic assets, statistics are obtained from Norskog.

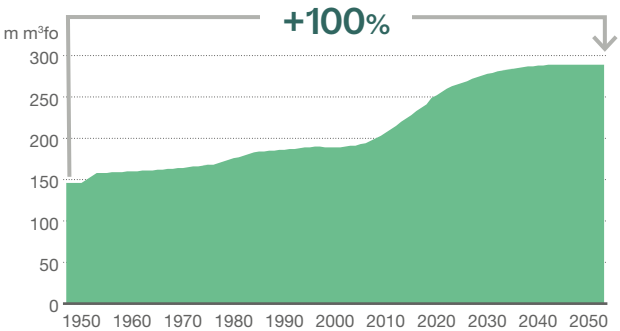
Most of the transactions included in the supporting data are acquisitions conducted by private individuals. However, the relatively few transactions between legal entities indicates that forest owned by legal entities has an added value compared with forest owned by private individuals.

Harvesting of own forest (million m^3sub)



Good forest management has gradually increased the sustainable harvesting level since the 1950s. Over the next 10–20 years, it will be possible to raise this further.

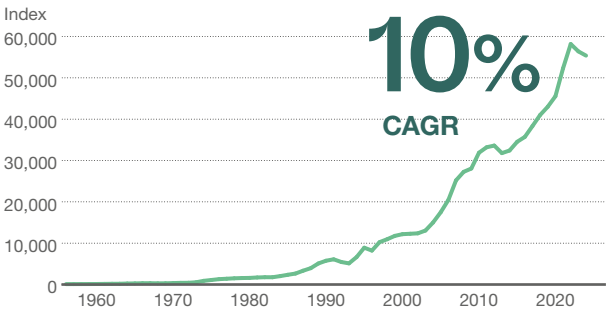
SCA's standing timber volume (million m^3fo)



We have never had so much forest. The standing volume will continue to grow over the coming decades in parallel with an increase in the harvesting level.

Harvesting can increase more in the longer term due to the growth in the standing volume.

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 the industries and generates cash flow. Good forest management has helped to more than double the sustainable harvesting level since the mid-1950s.

Net growth. Over the past 70 years, standing volume has increased significantly, 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 northern Sweden has increased by more than 200% in real terms and 4,000% in nominal terms since the mid-1950s, according to an estimate by the National Land Survey.

Together, these three value streams have generated a total return from SCA's forest assets of approximately 10% per year since the mid-1950s.

WOOD

Competitiveness through efficiency and the latest technology

SCA's five mills are among the most modern and competitive sawmills in Europe. New technologies are harnessing the full potential of trees to become customized and climate-smart, high-quality products. Competitive sawmills generate value from the forest and supply raw material to the fiber industry and energy sector.

The sawmills are a central link in SCA's integrated value chain. Sawlogs are the most valuable part of the tree and account for the majority of the forest owner's income. Meanwhile, sawmill chips 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 biofuels.

SCA's five sawmills are well invested and among the most competitive in Europe. Using X-ray technology and digitalization, each log is analyzed and can be controlled to ensure that the quality characteristics of the tree are utilized in the finished wood product. With this technology and a very high-quality raw material, SCA produces products for demanding customer segments, such as manufacturers of flooring, furniture and wood cladding for outdoor use.

In selected areas, SCA refines the products to fit as well as possible into the next stage of the supply chain. This could involve planing, painting and impregnation, as well as customized distribution solutions.

Construction is the engine of the wood sector

Both the European and the global timber sector are distinguished by a large number of producers, processors, industrial customers and sales channels. Even the largest players in the sector have a very modest market share and in many cases, small producers serve a local market.

SCA is involved in the development of solutions for industrial wood construction. There is great potential, but the work takes time and is long-term in nature. Industry standards need to be developed and traditions need to be challenged.

Construction is the main engine of the wood sector. Wood for use in renovation and refurbishment is an important product area, in addition to the wood used in new construction. This ROT (repairs, conversion, extension) sector is also less cyclical than new construction.

Many processed wood products are also associated with construction. Demand for wooden windows, kitchen units and furniture is also affected by activity in the construction sector and by sales activity in the housing market.

Wood products largely reach customers and consumers through the building materials trade, either via the professional construction sector or the DIY trade.

Right segments, customers and supply chains

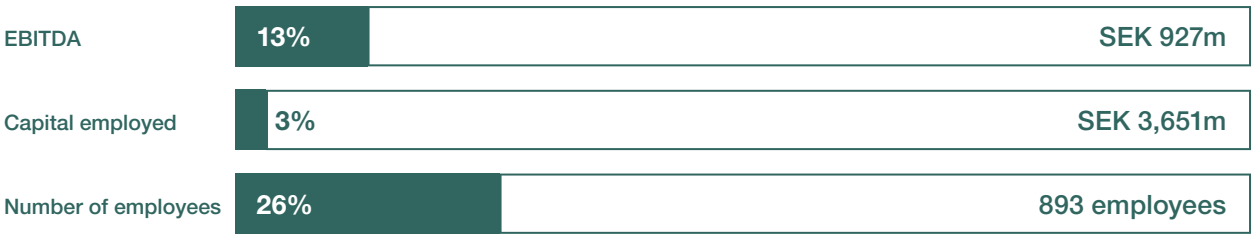
SCA's raw material and production facilities are well adapted to produce high-quality products for use in visible applications, such as flooring, roofing and exterior and interior cladding. SCA works with customers to develop product manufacturing chains to maximize efficiency and minimize waste. This means that SCA, in many cases, manufactures items that are well suited for further processing by customers.

The development work also encompasses transportation and distribution solutions. This may involve pre-packaged products for the building materials trade or SCA taking responsibility for supplying a certain range of products to stores in a particular region. Where there are benefits to be gained, the company supplements its own products with purchased goods in order to offer a complete range.

SCA's logistics resources and expertise also enable the company to competitively supply markets such as the US, the Far East and North Africa.

The prioritized market segments are complemented by transactions where the market conditions are considered to be the best. The entire sawlog should generate wood products with the best possible profitability.

Share of Group 2024



At Gällö sawmill, contorta pine is sawn into high-quality cladding with good properties.

Full impact of investments

At the Bollsta sawmill, calibrating and ramping up the new dry sorting line and scanner has continued and the expected impact on efficiency and product quality has been more than met.

The new CT scanner means Bollsta sawmill can now use digital measurement, computed tomography, image analysis and artificial intelligence to monitor each product as it passes through the sawmill and harness the potential value of each individual log. This will optimize product value per customer.

Bollsta sawmill is SCA's largest and one of Europe's most efficient sawmills. The company is working to improve efficiency and competitiveness for all production units. Tunadal sawmill has been granted a production permit that will enable continued development and expansion. The integrated value chain has been further strengthened by the fact that Rundvik sawmill now produces pellets that are used in the new fossil-free lime kiln and chemical recycling process at Obbola paper mill.

At Gällö sawmill, which is now wholly owned by SCA, production is continuing of solid-wood products from contorta pine. SCA owns significant areas of contorta pine, and harvesting has now begun of the oldest stands. Contorta pine grows faster than Swedish pine, which means the timber does not have the same strength properties. However, the timber retains its shape and looks beautiful. Products now being well received by the market include both interior and exterior cladding. The production of contorta products in Gällö will continue to increase.

Strategy

- Ensure 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	2024	2023
Net sales	5,539	5,158
EBITDA	927	550
EBITDA margin, %	16.7	10.7
Operating cash flow	479	349
Strategic capital expenditures	0	0
Capital employed	3,651	3,490
Return on capital employed, %	17.5	9.4
Deliveries, wood products, thousand m³	1,956	1,948
Average number of employees	893	895

Global production at low level
Inflation and high interest rates have kept new construction at a low level. In 2024, production of solid-wood products reached its lowest level in ten years. At the same time, the price of wood raw material to the sawmills has remained at a high level. The reason for this shortage of sawlogs is not least that supplies of both timber and solid-wood products from Russia have been halted following the invasion of Ukraine. Insect damage in Central Europe and North America is holding back the supply of sawlogs, as are restrictions on forestry in some countries.

A weak market and expensive raw materials are putting pressure on many wood producers. SCA is affected to a lesser extent through its high degree of self-sufficiency in wood raw material and its well-developed integrated value chain, where the various links strengthen profitability of the entire business.

In the long term, demand for solid-wood products is expected to continue to grow.

Materials with good climate properties
Wood products have a positive impact on the climate, a fact that further ensures a favorable demand trend. There are several underlying reasons for this positive impact on the climate. Wood products have a significantly smaller carbon footprint than most other building materials, such as concrete, aluminum, plastic and steel. Wood is also lighter than concrete and steel, which reduces the environmental impact from transportation and handling. Lastly, wood binds carbon. When the tree grows, it binds CO_2, and this carbon remains in the wood product for a shorter or longer period. Given that carefully maintained timber houses can stand for several centuries, the carbon sink in wood products is significant. 90% of SCA's solid-wood products are made into long-lasting products.

Bollsta is among the most modern and competitive sawmills in Europe.

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
Distribution to building materials trade: Scandinavia | France

Market

The global market for softwood solid-wood products is about 350 million m³, 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. 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.

PULP

Toward full potential in well-invested mills

Both the Östrand kraft pulp mill and the Ortviken CTMP mill are modern and well-invested plants. They are world leaders in terms of production efficiency and competitiveness. SCA is now working to realize the full potential of the major investments made in pulp production.

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
Wood fiber from northern pine and spruce provides a top-quality raw material for the production of bleached kraft pulp. The production of sulphate pulp involves cooking the wood fiber with chemicals to produce a pulp consisting only of cellulose fiber and from which other wood substances, such as lignin and hemicellulose, have been removed. These wood substances weaken and discolor the pulp. 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.

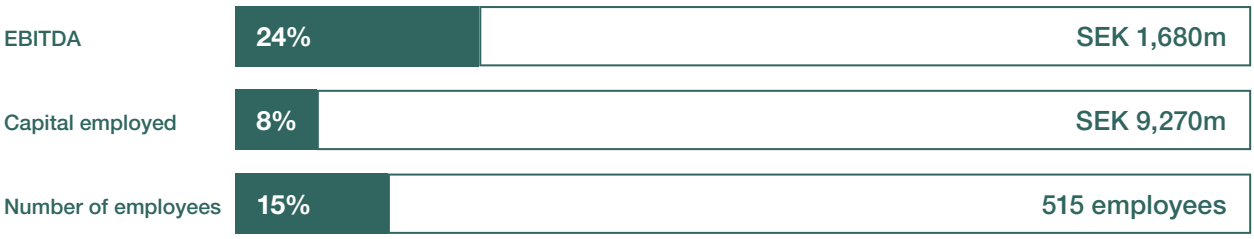
The Östrand pulp mill is world leading in terms of quality, cost efficiency and environmental performance. The mill's main focus is pulp for tissue, but it also delivers pulp for board and publication paper, together with certain specialty products.

In tissue paper production, the bleached sulphate pulp adds strength. It is 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 fiber products. 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 becomes bleached sulphate 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, sodium bisulfite, bark and ash – all products with value if used for the right application. A modern kraft pulp mill has a wide range of products and is a significant net producer of energy, electricity and heat.

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

Share of Group 2024



More efficient production
The production of kraft pulp was stable throughout the year. The new CNCG boiler commissioned last year has contributed to increased production efficiency and improved environmental performance. Not least, problems relating to odors in the vicinity of the mill have been drastically reduced.

A reorganization has resulted in significant rationalization, which together with increased productivity has further strengthened Östrand's competitiveness.

CTMP production increasing according to plan
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 sulphate pulp. It lacks the same strength, but instead has greater 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 late 2022 and has been ramped up since then according to plan. The Ortviken pulp mill also produces by-products alongside the pulp, with significant amounts of district heating being supplied to Sundsvall's district heating system. The Ortviken site has additional external businesses that rent and buy services from SCA.

Profitable deliveries worldwide
Europe remains SCA's core market, but with increasing production volume, SCA has grown as a supplier to US customers and commands a stable presence in the eastern and southern US.

During the year, the Östrand pulp mill achieved both increased production efficiency and improved environmental performance.

Supported by efficient production facilities and logistics solutions, SCA can deliver profitably to pulp customers around the world. Access to more markets increases opportunities to maintain profitable production regardless of the economic situation.

In the first half of the year, the pulp market gradually strengthened, and price increases could be implemented, but then subsequently weakened.

Strategy

- Continue to strengthen competitiveness through increased productivity.
- Realize the full potential of the new CTMP mill in Ortviken.
- Maximize the value of by-products such as electricity, crude tall oil and district heating.

Financial key figures

SEKm	2024	2023
Net sales	8,058	6,893
EBITDA	1,680	1,213
EBITDA margin, %	20.8	17.6
Operating cash flow	1,385	993
Strategic capital expenditures	28	183
Capital employed	9,270	9,871
Return on capital employed, %	10.3	5.9
Deliveries, pulp, thousand tonnes	988	945
Average number of employees	515	537

Chemi-thermomechanical pulp (CTMP) is mainly used to manufacture tissue and board, and global demand is expected to increase moving forward.

Market

The global market for Northern bleached softwood kraft pulp (NBSK) is approximately 14 million tonnes. The total long-term demand for market pulp is expected to increase by approximately 2% per year. SCA's share of the global market for Nordic bleached softwood kraft pulp amounts to 6%.

The global market for chemi-thermomechanical pulp (CTMP) is roughly 4.5 million tonnes. Long-term demand is expected to grow by approximately 2% per year. SCA's share of the global CTMP market for market pulp amounts 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 products.

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 from 2025. The pulp is used, for example, in packaging and hygiene products.

Complementary products: District heating.

CONTAINERBOARD

Continued production increase with new paper machine

The ramp-up of SCA's new paper machine in Obbola is continuing and production is increasing with the goal of reaching full capacity in 2026. After a certain level of turbulence during and after the pandemic, demand for containerboard continues to grow by a few percent per year.

SCA is a leading producer of kraftliner, meaning packaging paper based mainly on fresh wood fiber. SCA is the largest independent producer of kraftliner in Europe. Containerboard, which also includes recovered fiber-based packaging paper – testliner – is used as the outer and inner layer of corrugated board packaging for various purposes.

SCA's raw material is pulpwood and sawmill chips from spruce and pine. Northern wood fiber has good strength properties and is suitable for packaging products with high demands on strength and quality.

A wide range of products to meet high demands

SCA manufactures containerboard at the Obbola and Munksund paper mills. In Munksund, the company produces a range of specialty products. This includes white-top kraftliner with good printing properties, suitable for packaging that will be visible for customers. Wet-strength kraftliner is used for demanding applications, particularly in the food industry, such as packaging for fish or fresh fruit. Other products are used for transport packaging for heavy and delicate products.

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.

Production increase according to plan

The new paper machine at the Obbola paper mill, which began operating in late 2022, is still being ramped up to full production.

The new machine is the largest in the world for kraftliner production and marks a leap forward in technology in terms of production and process control. Digitalization and artificial intelligence have improved the prospects for the manufacture of specialty products and for product development.

As part of the investment, a new paper machine was built, as were new facilities for recovered paper handling, biological

"Digitalization and AI are improving opportunities to develop new products."

Share of Group 2024

EBITDA	13%	SEK 932m
Capital employed	9%	SEK 10,626m
Number of employees	20%	677 employees

wastewater treatment and chemical recycling. These have been commissioned and are responding well to the growing needs of the mill.

Increasing demand

Demand for packaging, and thereby packaging materials such as containerboard, has been growing steadily at a few percent per year for some time. The growth of e-commerce has been one particular driver, in addition to more complex supply chains.

E-commerce increased dramatically during the Covid-19 pandemic. This also increased demand for packaging. Once the pandemic was over, demand declined as trade returned to more normal levels. Demand for packaging materials has now returned to the trend rate of an increase of a few percent per year.

SCA is an independent supplier of containerboard, meaning the company does not have its own production of finished packaging. Instead, SCA's customers are large and small converters, packaging manufacturers, who in turn serve producers of consumer products and input goods for industry. In many cases, these customers have strong brands and the packaging represents an important part of consumer branding. This helps to drive demand for white-top grades of packaging paper that provide good exposure possibilities.

The paper machine in Obbola marks a leap forward in technology in terms of production and process control.

Strategy

- Realize the full potential of the new paper machine in Obbola.
- Continue to offer the market's best service and product range.
- Evaluate further development of the Munksund paper mill.

Financial key figures

SEKm	2024	2023
Net sales	6,434	5,850
EBITDA	932	1,212
EBITDA margin, %	14.5	20.7
Operating cash flow	366	706
Strategic capital expenditures	81	634
Capital employed	10,626	10,962
Return on capital employed, %	1.3	5.1
Deliveries, kraftliner, thousand tonnes	893	839
Average number of employees	677	695

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.

Containerboard

OBBOLA, UMEÅ

Production capacity: 725,000 tonnes/year from 2026.

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

Market

The global market for containerboard is more than 180 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 10%. The total long-term demand for kraftliner is expected to increase by approximately 2–3% per year.

The European market amounts to approximately 6 million tonnes. SCA is the largest independent supplier of fresh fiber-based kraftliner in Europe.

RENEWABLE ENERGY

Renewable transition continues and SCA strengthens its position

New requirements for reduced emissions and use of renewable energy are strengthening SCA's position. The company's assets, such as wind power, biofuels and renewable fuels, are in demand in the sustainable energy system of the future.

SCA has significant renewable energy assets in all parts of its operations. The large forest holding features good locations for wind power generation as well as solar power and battery storage. 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 tall oil.

A significant portion of the energy used to supply SCA's industries is generated by the company itself, both electricity and heating, and the company is also a major supplier to external customers in the form of biofuel, pellets, district heating, green electricity and other energy products.

Energy is an important component of SCA's value chain. SCA's operations aim to create the highest possible value from forests. Sawlogs become solid-wood products. Pulpwood and wood chips become pulp and paper. Residual products from forests, sawmills and fiber industries are turned into the highest-value energy possible, with minimal waste and losses.

Increased wind power production

As Europe's largest private forest owner, SCA has many areas of land with favorable wind conditions and has the competence to drive wind power development. A significant expansion of wind power is currently underway in northern Sweden. Given that SCA wants to protect vibrant and attractive local communities, the company has chosen to anticipate legislation and introduce financial compensation to those living near newly established wind farms. At the end of 2024, the capacity for wind power production on SCA's land was 9.7 TWh per year, equivalent to about 20% of Sweden's total wind power production. Of the total production, 0.2 TWh is SCA's own wind power production.

Onshore wind power is currently one of the cheapest ways to build new electricity generation. Time-consuming permit processes have slowed down development in recent years, but policy initiatives to increase the engagement of municipalities and local stakeholders may facilitate developments.

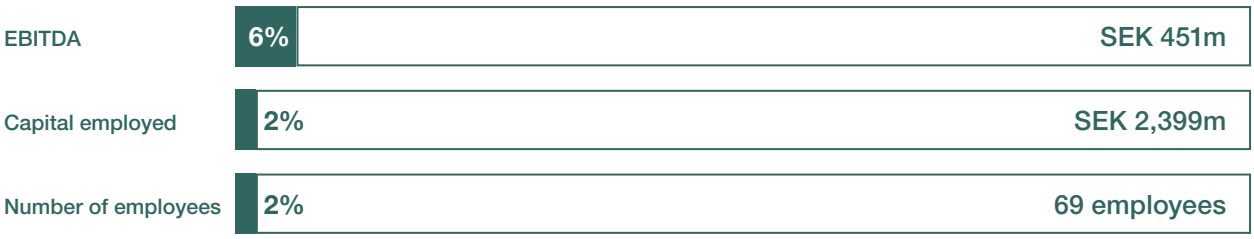
There are three revenue streams for wind power:

- For wind farms on SCA's land that other providers own and operate, the company receives a lease payment based on revenue from electricity from the farm.
- Another source of revenue is the 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.
- Lastly, SCA produces its own green electricity and is targeting self-sufficiency. Once the ongoing Fasikan project (0.3 TWh) is commissioned, the company will have reached this target and thus have security of supply and cost control.

In parallel with the development of onshore wind projects, SCA is working to develop solar power projects and battery storage projects on SCA's land holding.

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

Share of Group 2024



Increasing demands on biofuels
The ramp-up of production at the biorefinery in Gothenburg is continuing according to plan. The biorefinery is jointly owned with the energy company St1, and SCA's stake corresponds to 25%. It will produce approximately 200,000 tonnes of liquid biofuel per year. This is equivalent to the total fuel requirements of domestic flights in Sweden. Part of the raw material for the refinery is tall oil from SCA's kraft pulp production in Östrand, Obbola and Munksund.

In 2024, new decisions were taken on Europe's climate transition. The EU's revised Renewable Energy Directive (RED III) states that at least 42.5% of the EU's total energy consumption is to be from renewable sources by 2030. The transport sector is to reduce its greenhouse gas intensity by at least 14.5% by 2030, or renewables are to account for at least 29% of total energy consumption. Fossil carbon dioxide emissions from shipping will be reduced and the blending of renewable fuels into aviation fuel will be increased.

2024 was a turbulent year in the biofuels market – a market that is heavily influenced by political decisions. Sweden's decision to lower the requirements for blending renewable fuels into gasoline and diesel had an impact, and more importantly the market was saturated with Chinese renewable fuel imports.

As of July 2025, the reduction obligation in Sweden will be increased from 6% to 10%. In the long term, demand for renewable fuels from sustainable sources is expected to grow steadily and supply is expected to be scarce.

SCA's joint venture biorefinery in Gothenburg was commissioned in late 2023/early 2024.

Strategy

Wind power
- Maximize wind power on SCA's land and increase lease income.
- Achieve a high degree of self-sufficiency in electricity.
- Develop a project portfolio for divestment or investment.

Liquid biofuels
- Realize the full potential of the biorefinery in Gothenburg.
- Develop opportunities for a possible biorefinery adjacent to Östrand.

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

Financial key figures

SEKm	2024	2023
Revenue[1]	2,050	1,879
EBITDA	451	690
EBITDA margin, %[2]	22.0	36.7
Operating cash flow	481	609
Strategic capital expenditures	365	350
Capital employed	2,399	2,167
Return on capital employed, %	17.1	32.1
Deliveries, renewable electricity own wind power, GWh	183	149
Average number of employees	69	68

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

SCA is preparing a potential biofuel investment at the Östrand pulp mill. An environmental permit was received for production based on renewable electricity and solid biomass, such as sawdust and bark. Land reclamation is currently underway beside the site to prepare space for a future plant.

Biofuels market remains strong
SCA is Sweden's third largest supplier of solid biofuels and second largest supplier of fuel pellets. After the surge in demand and price that followed Russia's invasion of Ukraine, demand has stabilized and the demand trend remains good.

In 2024, SCA produced 10.9 TWh of bioenergy. 8.7 TWh were used in SCA's own plants and 2.2 TWh were delivered to external customers. Of the external deliveries, 0.8 TWh consisted of processed biofuels, meaning fuel pellets, 1.0 TWh was unprocessed 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.

Market

The energy market is generally subject to a wide range of political decisions, restrictions and ambitions at both the national and supranational levels.

The introduction of wind power in Sweden was supported by subsidies as a result of requirements stipulating a certain proportion of green electricity. Today, wind power is fully commercial and is one of the cheapest methods for producing new electricity in Sweden. New wind power production is preceded by a complicated and often lengthy permit process where a number of stakeholders – the defense forces, reindeer herders, or municipalities – may hinder full or partial implementation of a project. New wind power must also be connected to the public electricity grid.

There is substantial interest in wind power from long-term investors and from customers who wish to secure access to renewable electricity.

The market for biofuels is also driven by laws and regulations, as well as the ambition to replace fossil fuels with renewable alternatives. The EU has set blending requirements for renewable fuels, in the first instance by 2030. Similar requirements are being imposed in countries outside the EU. Transition requirements are now also being specifically imposed on air and maritime transport. The EU has also established regulations for the raw materials that may be approved for use in biofuels if they are to be considered sustainable.

The fact that Sweden has had a long-standing tax on fossil carbon dioxide has benefited solid biofuels. This has made it profitable to switch from fossil fuels to renewable alternatives for heat and CHP generation. One positive consequence of this for the climate is that fossil fuels are essentially not used for the production of heat or electricity in the Swedish energy system, with the exception of some standby capacity. 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. In other countries, biofuels are used for clean power generation. These countries often have no extensive district heating networks.

Facilities

BIONORR, HÄRNÖSAND

Capacity: 180,000 tonnes of pellets (880 GWh)

TUNADAL

Integrated with Tunadal sawmill

Capacity: 12,000 tonnes of pellets (60 GWh)

STUGUN

Integrated with Stugun planing mill

Capacity: 24,000 tonnes of pellets (120 GWh)

RUNDVIK

Integrated with Rundvik sawmill

Capacity: 25,000 tonnes of pellets (120 GWh)

BIOENERGI I LULEÅ AB

Joint venture with Luleå Energi AB

Capacity: 100,000 tonnes of pellets (490 GWh)

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 from 2026

LOGISTICS

SCA's own logistics is better for business

Logistics is a significant expense item for a forestry company. Raw materials must be delivered to production facilities and products must be shipped to customers worldwide. Control of logistics is better for business and enables the provision of unique customer offerings.

Logistics account for about 20% of SCA's cost base. 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 one of Sweden's largest users of rail transport, 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 transports, complemented by rail and road transport.

Raw material transportation

Timber 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 by rail to the mill.

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.

Timber from SCA's own forests in Estonia, Latvia and Lithuania, as well as purchased timber, is transported by sea. SCA also purchases timber volumes in Finland and Norway that are efficiently transported to SCA's industries.

SCA swaps timber with other forest product companies to reduce transport distances to industry, thereby reducing costs and emissions as much as possible.

Road transportation is also moving in the direction of reducing its impact on the environment and climate. An electric timber truck has been transporting timber from rail terminals to industries in Västerbotten since 2022. Another electric timber truck has been put into operation in southern Norrland to transport timber from the forest to timber terminals.

Delivery of finished products

In Sundsvall, extensive transport infrastructure investments have been commissioned. SCA has invested in a new container port and cargo handling areas, where Sundsvall Municipality has built an intermodal terminal and the Swedish Transport Administration has built new tracks to the port and industries. The new facilities enable efficient freight transportation to and from the region. Not least, the trend toward larger and more efficient vessels will continue.

Freight volumes are growing in pace with increased pulp production at the Östrand and Ortviken mills and increased containerboard production in Obbola. It thus remains important to have SCA's own logistics organization and control over transportation as this enables fast and flexible transport solutions for customers and SCA's business areas.

Most of SCA's finished products are transported by ship. Pulp and solid-wood products are mainly transported using break bulk carriers and containers. By consolidating goods to the same destination, larger vessels can be used, which reduces costs and environmental impact. European and global initiatives to reduce the climate impact of shipping are underway and will increase the importance of efficient transportation.

SCA's RoRo vessels are being optimized to transport kraftliner and return with input materials to SCA's industries. These vessels operate scheduled services and timetables between terminals in Umeå, Sundsvall, Kiel, Rotterdam and London. During their northbound journey, they also stop off at other ports to provide competitive logistics services for external freight. The use of this transportation system enables SCA to maintain a high level of customer service at a low transportation cost and with little environmental impact.

Within Sweden, SCA runs rail shuttles between Piteå, Umeå and Skövde for deliveries to customers in southern Scandinavia. The same transport system is used for production materials northbound.

"Most of SCA's finished products are transported by ship."

The share and the shareholders

The SCA share is quoted and traded on Nasdaq Stockholm. The company's market capitalization was approximately SEK 99bn 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 2024, SCA's Class B share was listed at a price of SEK 140.45 and SCA's Class A share at SEK 139.60, corresponding to a market capitalization of SEK 99bn. SCA's Class B share noted a change of –7% during the year. During the corresponding period, the index of the 30 most traded shares, OMX Stockholm 30, increased 4%. The highest closing price for SCA's Class B share was SEK 169.50, which was noted on May 21. The lowest closing price during the year was SEK 134.85, noted on December 19. Since the distribution of Essity in 2017, the total return for SCA's Class B share has been 149%, which compares with a total return for OMX Stockholm 30 of 88%. SCA's total shareholder return amounted to –5% in 2024.

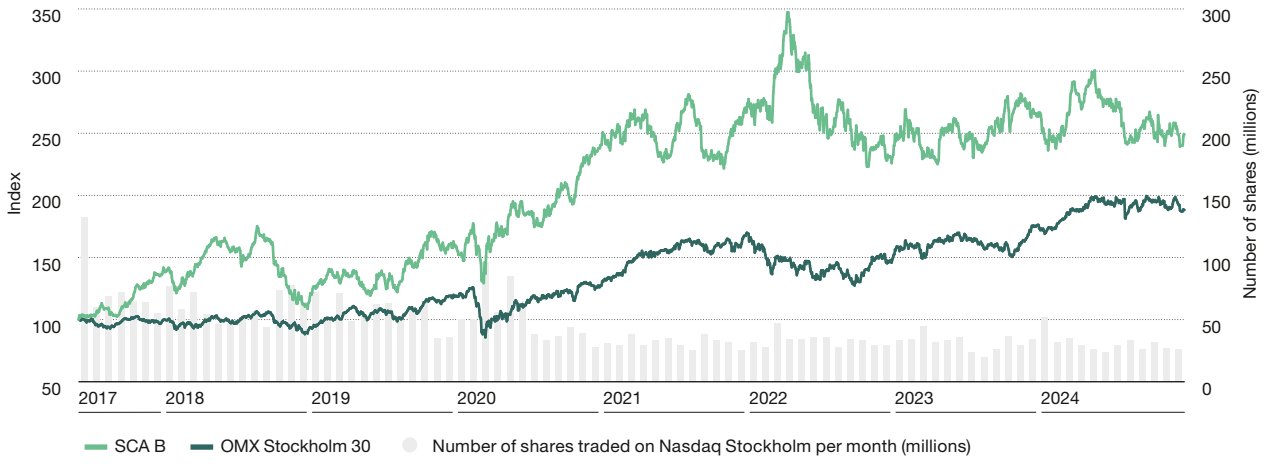
Share trading
During 2024, trading on all marketplaces amounted to approximately 1,350 million SCA shares. On Nasdaq Stockholm, approximately 371 million SCA shares were traded, which corresponds to about 1.5 million shares per day in average. During the year, the SCA share was also traded on other market places. The highest trading volume was on Cboe Global Markets (706 million shares) and LSE Group (215 million shares).

Ownership structure
SCA had approximately 108,000 shareholders as of December 31, 2024. At the end of the year, some 60% of the share capital was owned by Swedish investors and about 40% by investors outside Sweden. Ownership was divided among Swedish institutions with 47%, foreign institutions with 36%, Swedish private individuals with 11% and other owners with 6% 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 2.75 per share was disbursed for the 2023 fiscal year. The Board of Directors proposes a dividend of SEK 3.00 per share for the 2024 fiscal year.

Total shareholder return, index



Source: Nasdaq.

SCA's ten largest shareholders, as of December 31, 2024

Shareholders	No. of Class A shares	No. of Class B shares	Capital %	Votes %
Industrivärden	33,300,000	45,400,000	11.2	29.7
AMF Pension & Fonder	2,500,000	64,305,861	9.5	7.0
Norges Bank Investment Management	8,066,000	42,446,457	7.2	9.7
BlackRock		33,421,605	4.8	2.6
Alecta Tjänstepension		26,740,267	3.8	2.1
Vanguard	201,623	23,780,726	3.4	2.0
Handelsbanken Funds		13,056,130	1.9	1.0
MFS Investment Management		12,773,324	1.8	1.0
SEB Investment Management		12,471,213	1.8	1.0
Swedbank Robur Funds		11,166,621	1.6	0.9
Ten largest	**44,067,623**	**285,562,204**	**46.9**	**56.9**
Other	19,632,684	353,079,978	53.1	43.1
Total	**63,700,307**	**638,642,182**	**100.0**	**100.0**

Source: Monitor by Modular Finance. Compiled and processed data from various sources, including Euroclear, Morningstar and the Swedish Financial Supervisory Authority. The verification date may vary for certain shareholders.

Shareholders by country, capital

Sweden	60%
US	21%
Norway	8%
Other	11%

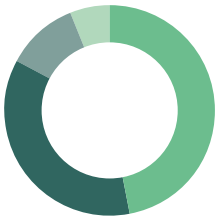
Source: Modular Finance.

Shareholder structure, as of December 31, 2024

Holding	No. of shareholders	No. of shares	Capital %	Votes %
1–500	81,059	10,468,537	1.5	1.7
501–1,000	11,807	9,041,934	1.3	1.5
1,001–5,000	12,226	26,434,066	3.8	4.2
5,001–10,000	1,608	11,460,094	1.6	1.8
10,001–20,000	645	9,148,161	1.3	1.3
20,001–50,000	339	10,643,325	1.5	1.5
50,001–100,000	152	10,908,076	1.6	1.5
100,001–	235	590,633,271	84.1	84.3
Anonymous owners		23,605,025	3.4	2.2
Total	**108,071**	**702,342,489**	**100.0**	**100.0**

Source: Modular Finance.

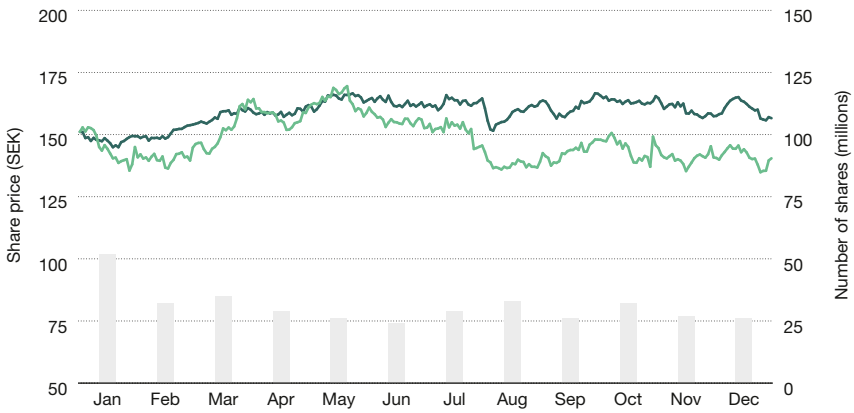
Types of ownership, capital



Swedish institutional owners	47%
Foreign institutional owners	36%
Swedish private individuals	11%
Other	6%

Source: Modular Finance.

Share price and trading volume 2024



SCA B — OMX Stockholm 30 — Number of shares traded on Nasdaq Stockholm per month (millions)

Source: Nasdaq.

Earnings per share (SEK)

5.18

Proposed dividend per share (SEK)

3.00

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 2024, according to the survey for the Swedish holdings conducted in 2019 and estimated growth in the Baltic region. SCA's total standing volume amounted to 274 million m³fo as of December 31, 2024, of which 8 million m³fo in the Baltic region.

Valuation of SCA's forest assets

SCA bases its valuation of forest assets on forest transactions in the areas where SCA owns forest. The average three-year market price on December 31, 2024 used in valuation of SCA's forest assets was SEK 388/m³fo for the Swedish holding and EUR 44.0/m³fo for the Baltic holding. Applied to SCA's standing timber volume of 274 million m³fo on December 31, 2024, the carrying amount of SCA's forest assets was SEK 107.3bn. At the end of 2023, the three-year average market price amounted to SEK 395/m³fo for the Swedish holdings and EUR 40.5/m³fo for the Baltic holdings and the carrying amount was SEK 107.5bn.

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 will increase from the previous 450,000 tonnes of kraftliner to 725,000 tonnes per year. Full capacity is expected to reached in 2026. The total investment will be approximately SEK 7.5bn and is recognized as a strategic capital expenditure.

Investment in expanded pulp capacity

In 2020, SCA decided to invest in the production of chemi-thermo-mechanical pulp (CTMP) to achieve an annual production volume of approximately 300,000 tonnes at the Ortviken site. The new facility began operating at the end of 2022. Full capacity is expected to be reached in 2025. The total investment will be approximately SEK 1.45bn and is recognized as strategic capital expenditure.

SCA invests in the production of biofuels

SCA resolved in 2021 to invest in a biorefinery together with the energy company St1. The biorefinery will have access to SCA's tall oil, which is produced at SCA's pulp mills. The start-up of the new facility began in late 2023/early 2024. SCA's part of the investment is approximately SEK 0.6bn and its ownership share is one quarter.

New dry sorting line in Bollsta

SCA resolved in 2019 to construct a new dry sorting line at the sawmill in Bollsta. Production started at the beginning of 2023. The total investment will amount to about SEK 0.6bn and is funded within the company's existing framework for current 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 2024, SCA had a holding of about 66,000 hectares of forest land, and approximately 11,000 hectares 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 is scheduled to begin operating in 2026. 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.

Production at the Obbola paper mill, one of Europe's most modern plants, will increase from the previous 450,000 tonnes of kraftliner to 725,000 tonnes per year.

Financial performance

Net sales

In 2024, SCA's sales increased compared with the preceding year, mainly as a result of higher selling prices and higher delivery volumes driven by the continued ramp-up of commissioned investments. Net sales amounted to SEK 20,232m (18,081), a change of +12%, of which price/mix accounted for +6%, volume +4% and currency +2%.

In the Forest segment, net sales increased 14% to SEK 8,830m (7,748), 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 7% to SEK 5,539m (5,158). The change was primarily attributable to higher selling prices.

In the Pulp segment, net sales increased 17% to SEK 8,058m (6,893). Higher selling prices, positive exchange rate effects and higher delivery volumes from the new CTMP facility at Ortviken had a positive impact on net sales.

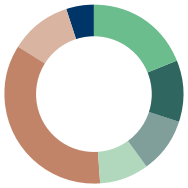
In the Containerboard segment, net sales increased 10% to SEK 6,434m (5,850). Higher delivery volumes from the new paper machine in Obbola and positive exchange rate effects had a positive impact on net sales.

In the Renewable Energy segment, income, which comprises net sales and other operating income, increased 9% to SEK 2,050m (1,879). The increase was primarily attributable to higher selling prices for bioenergy.

The Group's total other operating income amounted to SEK 3,395m (3,314). 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 (11% of net sales) followed by the US (10%) and the UK (9%).

Net sales by geography in 2024



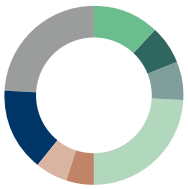
Sweden	19%
Germany	11%
US	10%
United Kingdom	9%
Rest of Europe	35%
Asia	11%
Rest of world	5%

Cost structure

SCA's total operating expenses in 2024 were SEK 18,283m (16,564), an increase of 10% compared to 2023. The largest share of the cost base comprises transportation and distribution costs (24%), other operating expenses (24%), personnel costs (15%), timber and woodchips (12%), and other raw materials and consumables (7%).

Research and development (R&D) costs during the year amounted to SEK 48m (45).

Cost structure 2024



Timber and woodchips	12%
Chemicals	7%
Other raw materials and consumables	7%
Transport and distribution	24%
Energy	5%
Repairs and maintenance	6%
Personnel costs	15%
Other operating expenses	24%

Performance

EBITDA increased to SEK 7,143m (6,807), corresponding to an EBITDA margin of 35.3% (37.6). The change was mainly attributable to higher selling prices, higher delivery volumes, positive exchange rate effects and effective cost control due to the high rate of self-sufficiency in primarily wood raw material but also energy and logistics. Higher raw material costs had a negative impact on earnings. The cost of planned maintenance stops amounted to SEK 489m (377). EBITDA excluding the revaluation of biological assets increased to SEK 5,303m (4,609).

In the Forest segment, EBITDA was in line with the preceding year and amounted to SEK 3,531m (3,511). 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 increased 69% to SEK 927m (550). This increase was primarily attributable to higher selling prices.

In the Pulp segment, EBITDA increased 38% to SEK 1,680m (1,213). Higher selling prices and positive exchange rate effects had a positive impact on earnings, which were offset by higher costs for wood raw material. The cost of planned maintenance stops was SEK 279m (194).

In the Containerboard segment, EBITDA decreased 23% to SEK 932m (1,212). The decrease is mainly attributable to higher raw material costs, which were offset by positive exchange rate effects and higher delivery volumes. The cost of planned maintenance stops was SEK 210m (183).

In the Renewable Energy segment, EBITDA decreased 35% to SEK 451m (690). The decrease was primarily attributable to higher raw material costs and lower selling prices for tall oil.

Depreciation and impairment amounted to SEK 2,116m (1,950).

Operating profit amounted to SEK 5,027m (4,857).

Financial items amounted to SEK –506m for the year, compared with SEK –414m in the same period of the preceding year.

The Group's tax expense amounted to SEK 882m (818), corresponding to a tax rate of 19.5% (18.4).

Earnings per share amounted to SEK 5.18 (5.23).

Condensed consolidated income statement

SEKm	2024	2023	Comparison %
Net sales	20,232	18,081	12
Other operating income	3,395	3,314	2
Change in inventories	105	–275	
Change in value in biological assets	1,840	2,198	–16
Operating expenses	–18,283	–16,564	10
Result from participations in associated companies	–146	53	
EBITDA	**7,143**	**6,807**	**5**
Depreciation and impairment	–2,116	–1,950	9
Operating profit	**5,027**	**4,857**	**4**
Financial items	–506	–414	
Profit before tax	**4,521**	**4,443**	**2**
Income tax	–882	–818	
Profit for the period	**3,639**	**3,625**	**0**
Profit for the period attributable to owners of the Parent	3,639	3,675	
Profit for the period attributable to non-controlling interests		–50	
Key figures			
EBITDA margin, %	35.3	37.6	
Earnings per share	5.18	5.23	

Reasons for changes in EBITDA outcome in 2024 compared with 2023

	2024
Price/mix, %	14
Volume, %	2
Raw material costs, %	–6
Energy costs, %	–7
Currency, %	8
Other, %	–6
Total, %	**5**

Cash flow

The operating cash surplus amounted to SEK 5,247m (4,502). The change in working capital amounted to SEK –441m (–159). Current capital expenditures amounted to SEK –922m (–1,425) and for leases to SEK –187m (–178). Other operating cash flow was SEK –510m (245). Operating cash flow was SEK 3,187m (2,985). Financial items amounted to SEK –510m (–414) and tax payments amounted to SEK –293m (–330). Corporate acquisitions amounted to SEK –117m (–146). Strategic capital expenditures totaled SEK –689m (–1,510) 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 1,578m (585).

Operating cash flow statement

SEKm	2024	2023
EBITDA	7,143	6,807
Change in biological assets	–1,840	–2,198
Other non-cash items	–56	–107
Operating cash surplus	**5,247**	**4,502**
Change in working capital	–441	–159
Current capital expenditures, net	–922	–1,425
Current capital expenditures, net, lease	–187	–178
Other operating cash flow	–510	245
Operating cash flow	**3,187**	**2,985**
Financial items	–510	–414
Paid tax	–293	–330
Other	-	-
Cash flow from current operations	**2,384**	**2,241**
Corporate acquisitions	–117	–146
Divestments	-	-
Strategic capital expenditures in non-current assets	–689	–1,510
Cash flow before dividend	**1,578**	**585**

Financial position

SCA's capital employed totaled SEK 114,920m (115,050) as of December 31, 2024, a decrease during the year of SEK 130m. At December 31, 2024, net debt totaled SEK 10,885m, an increase during the year of SEK 119m. Net debt in relation to EBITDA amounted to 1.5x, compared with 1.6x in the preceding year. Total equity decreased by SEK 249m during the period to SEK 104,035m at December 31, 2024.

Balance sheet structure

SEKm	Dec 31, 2024	Dec 31, 2023
Forest assets	107,329	107,481
Intangible and other tangible fixed assets	26,837	26,613
Working capital	4,768	4,321
Current tax and deferred tax	–24,267	–24,233
Other capital employed, net	253	868
Total capital employed	**114,920**	**115,050**
Net debt	10,885	10,766
Net debt/EBITDA	1.5x	1.6x
Equity	104,035	104,284
Debt/equity ratio, %	10.5	10.3

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 2024, operating income amounted to SEK 408m (314) and profit before tax amounted to SEK 1,761m (142). For more information, refer to pages 131–139.

Holdings of treasury shares
SCA holds no treasury shares.

Distribution of shares
The total number of shares as per December 31, 2024, amounted to 702,342,489, of which 63,700,307 Class A shares and 638,642,182 Class B shares. At the request of shareholders, 734,842 Class A shares were converted to Class B shares in 2024.

Dividend
The Board of Directors proposes a dividend of SEK 3.00 per share. The record date for entitlement to receive dividends is proposed as April 8, 2025.

Environmental impact in Sweden
In 2024, SCA operated 13 manufacturing 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 2024. 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 biofuels and one permit pertains to the manufacture of fuel pellets. These operations impact the environment through emissions to air and water, and noise.

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 to 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.

SCA's statutory sustainability reporting in accordance with the Swedish Annual Accounts Act

Sustainability work is integrated into SCA's operations and the statutory sustainability reporting for the year 2024 is included in the company's 2024 Annual Report in accordance with Chapter 6 of the Swedish Annual Accounts Act. This report relates to Svenska Cellulosa Aktiebolaget SCA (publ) and its subsidiaries, refer to Note F1 on page 128. The SCA Group, its operations and business model is described on pages 27–35, 62 and 81. The statutory Sustainability Report was submitted to the auditor at the same time as the Annual Report.

Governance of the sustainability agenda is described in the Corporate Governance Report, page 82. SCA's Code of Conduct is the Group's primary steering document and sets, together with the Group's Sustainability Policy, the basis of SCA's sustainability agenda. Follow-up and evaluation of these policies complies with SCA's procedures for internal control and audits, as described in the Corporate Governance Report on pages 76–83. In addition, SCA's sustainability targets and priorities are also monitored through the Group's Sustainability Council, Executive Management and the Board.

The management of material risks in the sustainability area constitutes part of the Group's overall work with identifying and handling risks. The process, identified risks and management of these risks are described in the Board of Directors' Report on pages 67–75.

The strategic priorities for the sustainability work, where in SCA's value chain impact occur, how the different areas are material for SCA's stakeholders, how they are governed and the most important result indicators are described in the Sustainability disclosures, refer to the table on pages 144–145. The table also shows how social conditions, personnel issues, the environment, human rights and anti-corruption form part of SCA's work.

Reporting in accordance with the EU Taxonomy for sustainable investments constitutes part of the statutory Sustainability Report, see Sustainability disclosures on pages 147–151.

In addition to the information above, SCA's sustainability work and the outcome of this work is described by area according to the Swedish Annual Accounts Act in the table below.

Area	General	Social conditions and employees	Environment	Human rights	Anti-corruption
Business model	11–13, 16–17, 141				
Policies and results	142–145	144	144–145	144	144
Risks and risk management	67–75	68–70	68–69, 73–75	68–70	68–70
Targets and outcomes	144–145, 194–195	144, 195	144–146,195	144, 195	144, 195

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 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. **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.
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 2024, approximately 60% of SCA's wood raw material need was sourced from its own forests and chips 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 2024, SCA used 2.0 TWh of electricity while the company produced 1.3 TWh of electricity. 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 2025 approximately 60%, for 2026 0% and for 2027 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 biofuel. 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 incidents, which become 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. Increased charges for fossil fuel emissions from shipping will increase costs. The company's industrial processes are almost fossil-free following structured efforts over many years involving energy optimization and the replacement of fossil fuels with 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 began operating and is being evaluated for loading and retrieving harvested timber in the forest. Since 2022, an electric truck has been transporting timber from the terminal to the paper mill in Obbola. A more detailed analysis of climate-related risks and opportunities is presented on pages 73–75.
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.
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	
Events may occur that damage SCA's reputation. This could, for example, concern an employee, contractor, supplier or business partner who fails to comply with laws and regulations or policy 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 the business in a safe and efficient manner. **Impact:** ○ ● ○ **Change:** —	SCA performs training sessions to ensure that knowledge about regulations is transferred to SCA's employees and works to ensure that co-owned operations and staff 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. SCA has systems in place to handle sudden events, such as accidents, that risk damaging confidence in SCA. The company has a procedure to ensure that new partners share SCA's values before initiating a business collaboration. Whenever necessary, audits are conducted on-site to monitor that SCA's performance levels are met. SCA holds discussions with its stakeholders and regularly updates information on the company's website to satisfy various needs.

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 certifications may also influence opportunities to conduct active and responsible forest management. Climate change can also 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. This contributes to fact-based supporting data of the benefits created through responsible use of the forest and how forest operations impact the forest landscape, and enables 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. Since the late 1940s, the sustainable harvesting level has more than doubled at the same time as the standing volume has increased by about 80%. 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 of the fire situation in previous years, 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 to the adaptation of forest management activities, including the scheduling of harvest operations, the use of fertilizers, the selection of soil scarification method and the choice of tree species when replanting forests. For wind power projects, consultation may be carried out concerning the size of the wind farm and potential impact on reindeer herding 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. 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. 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 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 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.
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 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.

Description of risk	Management and comments for the year
Customer dependency	
In 2024, 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 players in these areas in markets where the company can ensure strong 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 may also sell 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 gain access to talent in areas where there is a skills shortage such as 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.

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 85% 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 earnings.

Impact: ○ ○ ● **Change:** —

The table shows the net flows for the three largest currencies in 2024, 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, 2024, 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	2024
EUR	EUR 377m
USD	USD 578m
GBP	GBP 89m
Others (translated to SEK)	SEK 356m
Total	**SEK 11,616m**

		Share of expected net exposure, %			
Currency	**Average rate**	**2025:1**	**2025:2**	**2025:3**	**2025:4**
EUR	11.50	75	70	50	20
USD	10.48	70	75	55	30

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 3,279m as per December 31, 2024. Credit risk in accounts receivable is managed through credit checks of customers using credit rating companies. Credit limits are set and regularly monitored. 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 4,023m as per December 31, 2024. 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, 2024, SCA's gross debt amounted to SEK 14,908m 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 1,328m.

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.

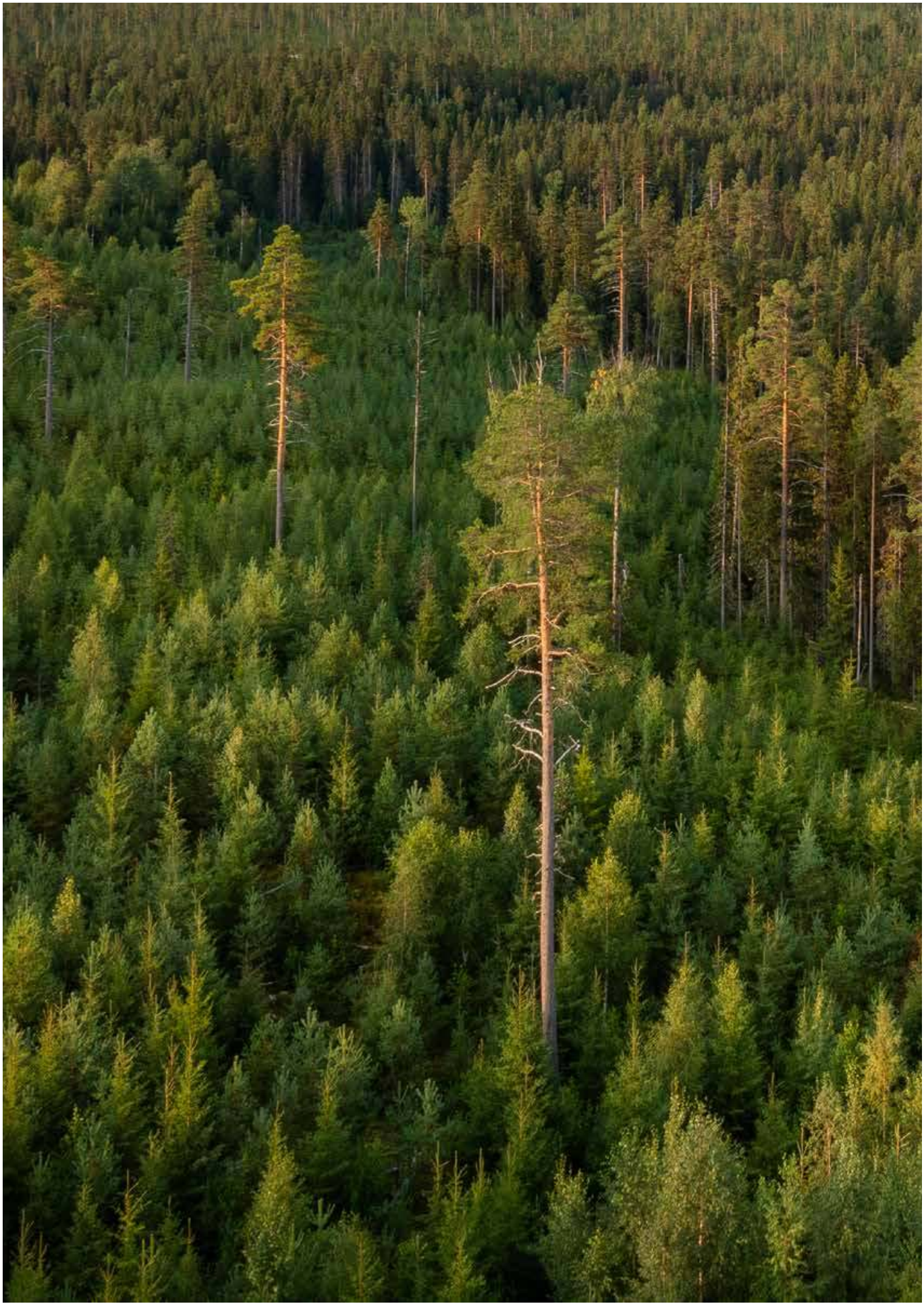
Surplus liquidity should primarily be used to amortize external liabilities. As of December 31, 2024, SCA's financing mainly comprised one credit facility from a group of four banks with high credit ratings, bilateral loans from several banks and issued bonds.

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 16 months as of December 31, 2024. The risk is managed using fixed-interest loans and through interest rate derivatives. A sensitivity analysis is presented in Note E7.

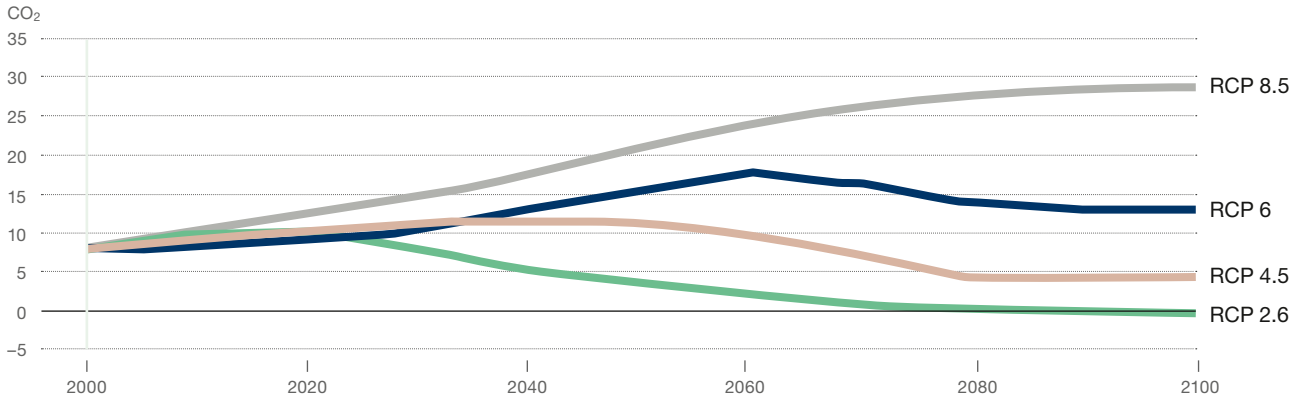


Carefully managed forest binds carbon dioxide and the conditions for future biodiversity are created either through consideration or active measures.

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 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.

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 greenhouse gas 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 will 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. Both legislation in Sweden and the EU will have an impact, as will technology development, access to and price of raw materials, changed consumption patterns, access to and terms of financing as well as investor valuations and risk appetite.

[1)] Source: RCP 2.6 and SSP1–2.6.
[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 1–2 years	
• 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 research collaboration, 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 2–5 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 under 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 company'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: 76–83.

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: 8–13, 22–23 and 26–35.

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: 67–75.

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. An assessment of the fossil emissions from the whole value chain is conducted every year. The company calculates its climate benefit contribution on an annual basis based on ISO model 13391, which includes the potential for emissions avoided through the company's products.

Read more on pages: 144–146, 159–163.

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 76–87
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 2024 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 67–75
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 significant risks as well as the governing documents and measures that the Group applies to manage these.

Sustainability, pages 22–25, 66 and 140–187
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 2024 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 they are 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, Legal Affairs, Sustainability and Communications 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 President and 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.

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.
- International Financial Reporting Standards (IFRS).
- Nordic Main Market Rulebook for Issuers of Shares.
- Swedish Corporate Governance Code.
- Relevant EU regulations.

Compliance with stock market regulations

In 2024, 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 2025 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, March 22, 2024 in Sundsvall, Sweden. The shareholders could also exercise their voting rights by postal voting prior to the Meeting. A total of 1,283 shareholders were represented at the Meeting and these accounted for approximately 73% 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 2.75 per share be paid for the 2023 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, Anders Sundström and Barbara Milian Thoralfsson, and the election of new Board member Helena Stjernholm. Helena Stjernholm was elected as the Chairman of the Board. Ernst & Young was re-elected as auditor for the period until the 2025 AGM. The Meeting resolved on the approval of the remuneration report for 2023.

The minutes of the Meeting in full and information on the 2024 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.

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 2025 AGM
The composition of the Nomination Committee for the 2025 AGM is as follows:

- Bengt Kjell, AB Industrivärden, Chairman of the Nomination Committee.
- Ola Peter Krohn Gjessing, Norges Bank Investment Management.
- Anders Oscarsson, AMF Insurance and Funds.
- 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 2025 AGM is presented in the notice convening the AGM on SCA's website sca.com. The 2025 AGM will be held on April 4.

Since its appointment, the Nomination Committee was convened three times in 2024. 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 2024 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 2024 AGM resolved in accordance with the Nomination Committee's proposal, which meant nine members were elected, of whom five were women and four men. When preparing proposals for the Board for the 2025 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 2024 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 2025 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 84–85.

Board activities
In 2024, the Board was convened ten 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 2024, 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 2024, 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 seven meetings in 2024. In its monitoring of the financial reporting, the Committee dealt with relevant accounting

Board of Directors and committees

Names	Elected	Dependence	The Board of Directors	Attendance	Audit Committee	Attendance	Remuneration Committee	Attendance
Pär Boman[1]	2010	●	Chairman	3	Board member	2	Chairman	2
Helena Stjernholm[2]	2024	●	Chairman	7	Board member	5	Chairman	4
Åsa Bergman	2022		Board member	10				
Lennart Evrell	2017		Board member	10			Board member	6
Annemarie Gardshol	2015		Board member	10				
Carina Håkansson	2021		Board member	10				
Ulf Larsson	2017	●	Board member	10				
Martin Lindqvist	2017		Board member	10	Board member	7		
Anders Sundström	2018		Board member	10			Board member	6
Barbara Milian Thoralfsson	2006		Board member	10	Chairman	7		
Karl Åberg[3]	2022	●	Board member	3	Board member	2		

1) Pär Boman resigned from the Board of Directors, the Audit Committee and the Remuneration Committee on March 22, 2024.
2) Helena Stjernholm joined the Board of Directors, the Audit Committee and the Remuneration Committee on March 22, 2024.
3) Karl Åberg resigned from the Board of Directors and the Audit Committee on March 22, 2024.

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

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 work to adapt the company's sustainability reporting to new regulations contained in the Annual Accounts Act and the European Sustainability Reporting Standards, ESRS. The Audit Committee also 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 six meetings in 2024. Activities in 2024 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 2024
The Board of Directors	10
Audit Committee	7
Remuneration Committee	6

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 2024, 13 internal audit assignments were performed. Observations from the assignments are reported to the Audit Committee.

During 2024, work included follow-up of the organization's work concerning the effectiveness of internal controls and compliance with policies and other governing documents, including the Code of Conduct.

External auditors
The 2024 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 six scheduled Board meetings in 2024. 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, 2024, AB Industrivärden was the company's largest shareholder, with a holding totaling 33,300,000 Class A shares and 45,400,000 Class B shares, corresponding to 11.21% of the total number of shares and 29.66% 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 OMXS30, 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 such as tall oil and turpentine.
- 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 biofuels as well as liquid biofuels. The business area also includes development and revenue linked to the wind power operations and sales of green products from industrial operations for energy 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

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 and the President bear the overall responsibility for the running of SCA's business in the field of sustainability. Sustainability matters and risks are regularly addressed at meetings of the Board 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 Executive Management. In addition, a number of cross-functional networks and forums exist to manage and coordinate issues such as the environment, health and safety and compliance issues.

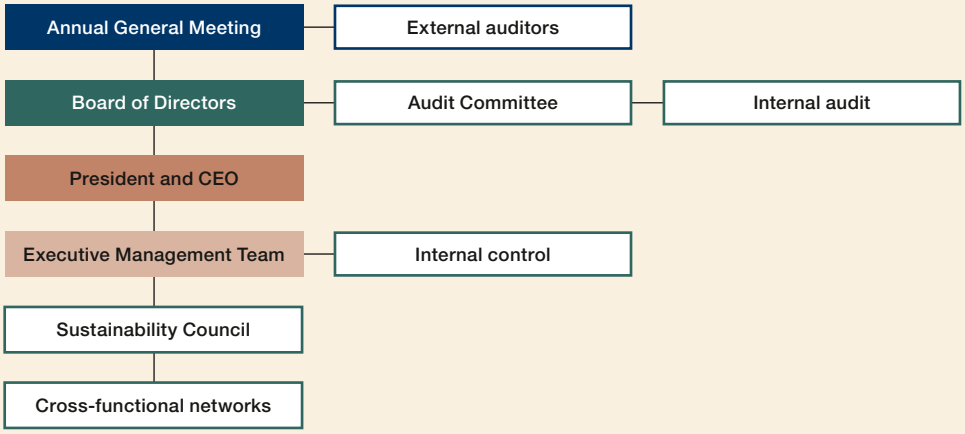
Control and follow-up of sustainability work follows the same structure as other operations in the SCA Group, refer to the illustration below. Responsibility and authority follow SCA's normal delegation scheme. The sustainability agenda is based on SCA's set of core values and regulated through the Group's policies, where the Code of Conduct and company's Sustainability Policy form the basis of sustainability activities. The Board of Directors approves all 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 double materiality assessment and Group targets are drawn up by Executive Management and reported to the Board. Risks linked to the field of sustainability form part of the Group's total risk management and are included in the company's framework of internal controls, refer to the Internal control, financial reporting and sustainability reporting section.

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 and by the Board. Any discrepancies are reported using the discrepancy procedures in each business area and corrective measures are identified and implemented.

Control and follow-up of sustainability work

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



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. Internal control procedures continued to evolve in pace with the new sustainability reporting requirements.

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 2024

In 2024, 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: 7,000

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: 948

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

Lennart Evrell (1954)
MSc Eng. and Econ.

Chairman of the Board of SSAB. Member of the Board of Epiroc. Previously Board member of ICA, 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, Dala Energi, Inlandsbanan and Chairman of the Royal Swedish Academy of Engineering Sciences (IVA) Division VIII. Former Board member of AFRY AB, Chairman of Åforsk and President of the trade association Swedish Forest Industries 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. Board member of the Swedish Forest Industries, Alleima and CEPI. Member of the Royal Swedish Academy of Engineering Sciences and the Royal Swedish Academy of Agriculture and Forestry. 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: 100,000

Independent of SCA's major shareholders.

Martin Lindqvist (1962)
Engineer and Master of Business Administration

Chairman of the Board of Swiss Steel. Chairman of SKGS. 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: 6,000

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

Barbara Milian Thoralfsson (1959)
MBA, BA

Chairman of the Board of Exclusive Networks SA. Board member of Essity AB and Hilti AG. Member of Advisory Board at SpareBank 1 Markets. 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 GS trade union branch, SCA Wood Scandinavia AB, Tunadal
Member of the Swedish Trade Union Confederation (LO).

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, 2024.

Executive Management Team

7. 3. 8. 2. 5.

Ulf Larsson (1)
President and CEO
BSc Forestry
Employed since: 1992
Class A shares: 26,000
Class B shares: 100,000

Stina Danielsson (2)
Senior Vice President, Human Resources
BA
Employed since: 2005
Class B shares: 7,806

Anders Edholm (3)
Senior Vice President Sustainability and Communications
Degree of Bachelor of Science in Military Studies
Employed since: 2021
Class B shares: 4,300

Kristina Enander (4)
Senior Vice President, Strategic Development
MSc Eng. chemical engineering in physics
Employed since: 1993
Class A shares: 792
Class B shares: 15,531

Andreas Ewertz (5)
CFO
MSc Eng. and Management
Employed since: 2017
Class B shares: 4,226

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

1. 4. 9. 6. 10. 11.

Mikael Källgren (7)
President, Renewable Energy
BSc Energy
Employed since: 2015
Class B shares: 5,482

Jerry Larsson (8)
President, Wood
MSc Eng., MBA
Employed since: 2003
Class B shares: 10,000

Jonas Mårtensson (9)
President, Forest
MSc Eng.
Employed since: 2005
Class B shares: 32,394

Mats Nordlander (10)
President, Containerboard and Pulp
Dipl. Eng.
Employed since: 2015
Class B shares: 17,468

Magnus Svensson (11)
President, Sourcing & Logistics
MSc Eng.
Employed since: 1993
Class A shares: 27,500
Class B shares: 42,880

Financial statements and notes

Consolidated income statement (IS)

SEKm	Note	2024	2023
Net sales	B1	20,232	18,081
Other operating income	B1, B2	3,395	3,314
Revenue		**23,627**	**21,395**
Change in inventories		105	–275
Change in value in biological assets	D3	1,840	2,198
Raw materials and consumables	B3	–5,081	–4,346
Personnel costs	C1	–2,781	–2,655
Other operating expenses	B4	–10,421	–9,563
Result from participations in associated companies and joint ventures	F2	–146	53
EBITDA		**7,143**	**6,807**
Depreciation and impairment		–2,116	–1,950
Operating profit		**5,027**	**4,857**
Financial income	E7	79	85
Financial expenses	E7	–585	–499
Profit before tax		**4,521**	**4,443**
Income taxes	B5	–882	–818
Profit for the year		**3,639**	**3,625**
Profit for the year attributable to:			
Owners of the Parent		3,639	3,675
Non-controlling interests		-	–50
Earnings per share			
Earnings per share (SEK) – owners of the Parent[1)]	E8	5.18	5.23
Dividend per share, SEK[2)]		3.00	2.75

[1)] There are no dilution effects.
[2)] Dividend for 2024 is the Board's proposal to the Annual General Meeting.

Consolidated statement of comprehensive income (OCI)

SEKm	Note	2024	2023
Profit for the period (IS)		**3,639**	**3,625**
Other comprehensive income for the period:			
Items that cannot be transferred to profit for the period			
Change of value land assets	D3	–2,376	6,957
Revaluation of defined benefit pension plans		229	436
Income tax attributable to components in other comprehensive income		453	–1,414
Total		**–1,694**	**5,979**
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	–180
Transferred to the income statement for the period		–65	269
Hedge cost		12	5
Translation differences in foreign operations		125	–35
Income tax attributable to components in other comprehensive income		97	–19
Total		**–250**	**40**
Other comprehensive income for the period, net of tax		**–1,944**	**6,019**
Total comprehensive income for the period		**1,695**	**9,644**
Total comprehensive income attributable to:			
Owners of the Parent (EQ)		1,695	9,694
Non-controlling interests (EQ)		-	–50

Consolidated statement of change in equity (EQ)

SEKm	2024	2023
Attributable to owners of the Parent		
Value January 1	**104,284**	**96,358**
Total comprehensive income for the period (OCI)	1,695	9,694
Cash flow hedge, transferred to acquisition cost of hedged investments	–1	–15
Tax on cash flow hedge, transferred to acquisition cost	0	3
Dividend	–1,931	–1,756
Acquisition of non-controlling interests	–12	0
Value December 31	**104,035**	**104,284**
Non-controlling interests		
Value January 1	**-**	**-**
Total comprehensive income for the period (OCI)	-	–50
Acquisition of non-controlling interests	-	50
Value December 31	**-**	**–**
Total equity, value December 31	**104,035**	**104,284**

For further information, see Note E8.

Consolidated balance sheet (BS)

SEKm	Note	2024	2023
ASSETS			
Non-current assets			
Intangible assets	D1	1,025	813
Buildings, land, machinery and equipment	D2	25,239	25,230
Forest assets	D3	107,329	107,481
of which land assets	D3	*46,974*	*49,267*
of which biological assets	D3	*60,355*	*58,214*
Right-of-use assets	D4	573	570
Holdings in associated companies and joint ventures	F2	1,156	1,253
Surplus in funded pension plans	C5	2,448	2,219
Non-current financial assets	E2	155	148
Deferred tax assets	B5	35	45
Other non-current assets		3	28
Total non-current assets		**137,963**	**137,787**
Current assets			
Inventories	D5	5,730	5,361
Trade receivables	E3	3,279	2,858
Current tax assets	B5	56	134
Other current receivables	D6	803	1,219
Current financial assets	E2	92	91
Cash and cash equivalents	E2	1,328	502
Current assets excluding assets held for sale		**11,288**	**10,165**
Assets held for sale	G1	12	-
Total current assets		**11,300**	**10,165**
Total assets		**149,263**	**147,952**
EQUITY AND LIABILITIES			
Equity	E6, E8		
Owners of the Parent			
Share capital		2,350	2,350
Other capital provided		6,830	6,830
Reserves		35,367	37,494
Retained earnings including profit for the year		59,488	57,610
Total equity owners of the Parent		**104,035**	**104,284**
Non-current liabilities			
Non-current financial liabilities	E4	11,519	11,498
Provisions for pensions	C5	325	326
Deferred tax liabilities	B5	24,348	24,373
Other non-current provisions	D8	58	57
Other non-current liabilities	D7	-	44
Total non-current liabilities		**36,250**	**36,298**
Current liabilities			
Current financial liabilities	E4	3,064	1,902
Trade payables	D9	4,440	3,963
Current tax liabilities	B5	10	39
Current provisions	D8	172	187
Other current liabilities	D7	1,292	1,279
Total current liabilities		**8,978**	**7,370**
Total liabilities		**45,228**	**43,668**
Total equity and liabilities		**149,263**	**147,952**

Consolidated cash flow statement (CF)

SEKm	Note	2024	2023
Operating activities			
Profit before tax (IS)		4,521	4,443
of which interest received		*18*	*13*
of which interest paid		*–571*	*–367*
Adjustment for non-cash items (CF:1)		315	–412
Change in liabilities regarding restructuring costs		–17	–12
Paid tax	B5	–293	–330
Cash flow from operating activities before changes in working capital		**4,526**	**3,689**
Cash flow from changes in working capital			
Change in inventories		–367	–504
Change in operating receivables[1)]		–356	286
Change in operating liabilities[1)]		–317	423
Cash flow from operating activities		**3,486**	**3,894**
Investing activities			
Company and asset acquisitions		–117	–146
Investments in intangible fixed assets (CF:2)		–138	–160
Investments in tangible fixed assets (CF:2)		–1,344	–1,465
Strategic net investments in intangible and tangible fixed assets (CF:2)		–689	–1,510
Sale of tangible fixed assets (CF:2)		560	200
Acquisition and divestment of financial assets		24	–24
Cash flow from investing activities		**–1,704**	**–3,105**
Financing activities			
Loans raised	E4	2,653	2,099
Amortization of debt	E4	–1,466	–1,265
Amortization of debt, leases	E4	–215	–202
Dividend	E8	–1,931	–1,756
Cash flow from financing activities		**–959**	**–1,124**
Cash flow for the period		**823**	**–335**
Cash and cash equivalents, January 1		502	836
Exchange rate differences in cash and cash equivalents		3	1
Cash and cash equivalents, December 31	E2	**1,328**	**502**

[1)] Unrealized gain/loss on hedged items has been reclassified from Changes in working capital to Adjustment for non-cash items. The comparative period has been restated.

TABLE CF:1

Adjustment for non-cash items

SEKm		2024	2023
Depreciation and impairment of non-current assets (IS)		2,116	1,950
Change in value in biological assets (IS)	D3	–1,840	–2,198
Gain/loss on sales and swaps of assets		–72	–130
Unrealized gain/loss on hedged items		97	–99
Accrued interest		–12	41
Other		26	24
Total		**315**	**–412**

TABLE CF:2

Net investments in intangible and tangible fixed assets

SEKm	2024	2023
Current net investments in intangible and tangible fixed assets	–922	–1,425
Strategic capital expenditures in intangible and tangible fixed assets	–689	–1,510
Total	**–1,611**	**–2,935**

For information concerning the Group's liquidity reserve, refer to the risk section on page 71.

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The machine-readable annual report is available on SCA's website

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Raw materials and consumables	B3	100
Other operating expenses	B4	100
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Inventories	D5	117
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PC Parent Company notes

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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

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, 2024. 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 cost.

Changes to accounting principles
SCA applies the mandatory exemption in IAS 12 to not recognize deferred tax in respect of top-up tax arising from the OECD Pillar 2 model rules for global minimum tax (top-up tax), which have been introduced in a number of countries. There is limited impact on the Group from the change in IAS 12 and of the Pillar 2 rules. For further information, see Note B5.

Other new or revised IFRS or interpretations from the International Financial Reporting Interpretations Committee (IFRIC) have not had any material impact on the carrying amount.

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 and is effective from January 1, 2027 and is expected to have an impact on SCA's financial reporting. SCA is evaluating 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 statements.

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
Sales revenue, which is synonymous with net sales, includes the consideration for goods and services sold within the Group's main business. This consists entirely of revenue from contracts with customers and is recognized in accordance with IFRS 15. 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 sustainable 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 and D2.

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 forest operations 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 forest operations 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. In 2024, SCA reviewed definitions and updated some tables to make these clearer. None of the amendments have led to changes in the way the measures are calculated.

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 and 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, financial items and tax. See Note B1.
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 for the year.	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	2024	2023
CAPITAL EMPLOYED			
Total assets		149,263	147,952
Financial assets	C5, E2	–4,023	–2,960
Long term, non-interest-bearing liabilities	B5, D7, D8	–24,406	–24,474
Short term, non-interest-bearing liabilities	B5, D7, D8, D9	–5,914	–5,468
Capital employed		**114,920**	**115,050**
CAPITAL EMPLOYED			
Forest assets	D3	107,329	107,481
Intangible and other tangible fixed assets	D1, D2, D4	26,837	26,613
Working capital		4,768	4,321
Current tax and deferred tax	B5	–24,267	–24,233
Other capital employed		253	868
Capital employed		**114,920**	**115,050**

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	2024	2023
WORKING CAPITAL			
Inventories	D5	5,730	5,361
Trade receivables	E3	3,279	2,858
Other current receivables	D6	803	1,218
Trade payables	D9	–3,774	–3,864
Other current liabilities	D7	–1,270	–1,182
Other current provisions	D8	-	–70
Working capital		**4,768**	**4,321**

Key figure	Description	Application of the measure
Net debt	Calculated as current and non-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 management to ensure a sustainable level of debt.

SEKm	Note	2024	2023
NET DEBT			
Surplus in funded pension plans	C5	2,448	2,219
Non-current financial assets	E2	155	148
Current financial assets	E2	92	91
Cash and cash equivalents	E2	1,328	502
Financial assets		**4,023**	**2,960**
Non-current financial liabilities	E4	11,519	11,498
Provisions for pensions	C5	325	326
Current financial liabilities	E4	3,064	1,902
Financial liabilities		**14,908**	**13,726**
Net debt		**10,885**	**10,766**
Equity	E8	**104,035**	**104,284**
Debt/equity ratio, %		**10.5**	**10.3**
EBITDA	B1	**7,143**	**6,807**
Net debt/EBITDA		**1.5x**	**1.6x**

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, Containerboard and Renewable Energy segments (except activities in the wind power area). Calculated in the same manner as the Group's Return on capital employed, but 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
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**

SEKm	Note	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Group
2023 fiscal year								
Operating profit/loss	B1	**3,279**	**328**	**559**	**482**	**613**	**–404**	**4,857**
Average capital employed:		**81,996**	**3,497**	**9,523**	**10,831**	**1,913**	**967**	**108,727**
pertaining to industrial		-	3,497	9,523	9,441	275	625	23,361
pertaining to other		81,996	-	-	-	828	-	82,824
pertaining to ongoing strategic capital expenditures		-	-	-	1,390	810	342	2,542
Return on capital employed, ROCE, %		**4.0**	**-**	**-**	**-**	**32.1**	**-**	**4.5**
Return on capital employed, industrial ROCE, %		**-**	**9.4**	**5.9**	**5.1**	**-**	**-**	**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 can potentially 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 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. Restructuring costs may include costs for impairment together with 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	2024	2023
EBITDA (IS)		7,143	6,807
Change in biological assets		–1,840	–2,198
Other non-cash items		–56	–107
Operating cash surplus		**5,247**	**4,502**
Change in working capital		–441	–159
Current capital expenditures, net		–922	–1,425
Current capital expenditures, net, lease		–187	–178
Other operating cash flow		–510	245
Operating cash flow		**3,187**	**2,985**
Financial items		–510	–414
Paid tax	B5	–293	–330
Other		0	0
Cash flow from current operations		**2,384**	**2,241**

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 on pages 76–87.

A description of the five operating segments can be found on pages 36–57.

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.

SCA is of the opinion 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 52% (56) 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. Performance obligations consist of sales of goods, which are satisfied at a point in time.

! KEY ASSESSMENTS AND ASSUMPTIONS

SCA has determined that all revenue recognized as net sales and other operating income pertaining to goods and services constitute revenue from contracts with customers. Net sales comprise the sales of goods. Other operating income comprises the sales of goods and services.

TABLE B1:1

Group by country	Net sales – sold by[1]				Average number of employees						Non-current assets[2]	
	2024		2023			Of whom, %			Of whom, %		2024	2023
	SEKm	%	SEKm	%	2024	men	women	2023	men	women	SEKm	SEKm
Sweden	**19,110**	**95**	**17,355**	**96**	**3,386**	**76**	**24**	**3,346**	**76**	**24**	**129,893**	**130,440**
Germany	**-**	**-**	**-**	**-**	**22**	**58**	**42**	**21**	**56**	**44**	**15**	**22**
United Kingdom	**490**	**2**	**118**	**1**	**8**	**62**	**38**	**8**	**59**	**41**	**64**	**70**
Rest of Europe												
Latvia	118	1	83	0	21	40	60	20	39	61	2,775	2,346
Estonia	42	0	33	0	9	57	43	9	59	41	969	825
Lithuania	9	0	12	0	2	50	50	2	50	50	450	390
Netherlands	-	-	-	-	1	100	-	1	100	-	-	-
Total, Rest of Europe	**169**	**1**	**128**	**1**	**33**	**47**	**53**	**32**	**47**	**53**	**4,194**	**3,561**
Asia												
China (Hong Kong)	463	2	480	3	7	57	43	6	58	42	0	1
Total Asia	**463**	**2**	**480**	**3**	**7**	**57**	**43**	**6**	**58**	**42**	**0**	**1**
Total Group	**20,232**	**100**	**18,081**	**100**	**3,456**	**75**	**25**	**3,413**	**76**	**24**	**134,166**	**134,094**

[1] "Sold by" means revenue 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.

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 such as tall oil and turpentine.

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 biofuels, as well as liquid biofuels. The segment also includes development and revenue linked to the wind power operations and sales of green products from industrial operations for energy production.

Reporting by operating segment

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Eliminations	Total Group
2024 fiscal year								
External sales (B1:1, B1:2)	169	5,539	8,058	6,434	32	-	-	20,232
Internal sales	8,661	0	-	-	-	-	–8,661	-
Net sales (IS)	**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
of which goods	*335*	*1,178*	*574*	*159*	*1,872*	*1*	*–1,951*	*2,168*
of which services	*85*	*117*	*379*	*387*	*-*	*17*	*–53*	*932*
of which leases	*7*	*16*	*16*	*1*	*128*	*6*	*–13*	*161*
of which other operating income	*64*	*5*	*23*	*13*	*18*	*11*	*-*	*134*
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 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
Net investments	–356	–183	–315	–433	–389	–122		–1,798
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, lease	–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**

SEKm	Forest	Wood	Pulp	Container-board	Renewable Energy	Other	Eliminations	Total Group
2023 fiscal year								
External sales (B1:1, B1:2)	128	5,156	6,893	5,850	54	0	0	18,081
Internal sales	7,620	2	0	0	0	0	–7,622	0
Net sales (IS)	**7,748**	**5,158**	**6,893**	**5,850**	**54**	**0**	**–7,622**	**18,081**
Other operating income	285	132	1,274	605	1,825	74	–881	3,314
of which goods	*203*	*6*	*845*	*162*	*1,671*	*0*	*–723*	*2,164*
of which services	*16*	*97*	*388*	*398*	*12*	*97*	*–165*	*843*
of which leases	*6*	*8*	*24*	*0*	*118*	*3*	*–2*	*157*
of which other operating income	*60*	*21*	*17*	*45*	*24*	*–26*	*9*	*150*
Revenue	**8,033**	**5,290**	**8,167**	**6,456**	**1,879**	**74**	**–8,504**	**21,395**
Operating expenses	–4,522	–4,783	–6,954	–5,244	–1,204	–438	8,504	–14,641
Result from participations in associated companies and JVs	-	43	0	-	15	–5		53
EBITDA	**3,511**	**550**	**1,213**	**1,212**	**690**	**–369**		**6,807**
Depreciation and impairment	–232	–222	–654	–730	–77	–35		–1,950
Operating profit/loss	**3,279**	**328**	**559**	**482**	**613**	**–404**		**4,857**
Other disclosures								
EBITDA margin, %[1]	45.3	10.7	17.6	20.7	36.7			37.6
Operating margin, %[1]	42.3	6.4	8.1	8.2	32.7			26.9
Capital employed	87,683	3,490	9,871	10,962	2,167	877		115,050
Net investments	–753	–267	–546	–977	–355	–215		–3,113
Operating cash flow								
Operating cash surplus	1,260	507	1,208	1,216	675	–364		4,502
Change in working capital	89	89	–4	–255	–59	–19		–159
Current capital expenditures, net	–320	–246	–363	–330	4	–170		–1,425
Current capital expenditures, net, lease	–90	–21	–1	–12	–9	–45		–178
Other	0	20	153	87	–2	–13		245
Operating cash flow	**939**	**349**	**993**	**706**	**609**	**–611**		**2,985**

[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.

Customers
SCA's ten largest customers account for 30% (37) of the company's sales. Revenue from the largest customer amounts to SEK 2,246m (2,645), which represents 11% (15) of net sales, and is reported in the Containerboard segment.

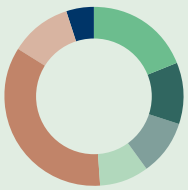
TABLE B1:2

Group by country

	Net sales – sold to[1]			
	2024		2023	
	SEKm	%	SEKm	%
Sweden	**3,843**	**19**	**3,322**	**18**
Germany	**2,258**	**11**	**2,039**	**11**
US	**2,063**	**10**	**1,945**	**11**
United Kingdom	**1,832**	**9**	**1,393**	**8**
Rest of Europe				
France	1,020	5	880	5
Spain	1,009	5	698	4
Norway	936	5	863	5
Italy	810	4	399	2
Netherlands	484	2	364	2
Denmark	379	2	287	2
Belgium	334	2	263	1
Finland	306	2	449	2
Poland	273	1	370	2
Turkey	223	1	153	1
Austria	173	1	148	1
Other	1,081	5	852	5
Total, Rest of Europe	**7,028**	**35**	**5,726**	**32**
Asia				
China	889	5	1,403	8
Japan	490	2	348	2
India	352	2	293	2
Other	437	2	575	3
Total Asia	**2,168**	**11**	**2,619**	**14**
Rest of world				
Morocco	436	2	401	2
Egypt	47	0	252	1
Other	557	3	384	2
Total, rest of world	**1,040**	**5**	**1,037**	**6**
Total Group	**20,232**	**100**	**18,081**	**100**

[1] Net sales recognized as "Sold to" compiles sales to countries where SCA has its customers.

Net sales by geography in 2024



Sweden	19%
Germany	11%
US	10%
United Kingdom	9%
Rest of Europe	35%
Asia	11%
Rest of world	5%

B2 Other operating income

Specification of other operating income

SEKm	2024	2023
Transportation	847	800
Energy	1,282	1,406
Leases	161	156
Other	1,105	952
Total (IS)	**3,395**	**3,314**

Other disclosures
Government grants received increased other operating income by SEK 1m (–).

B3 Raw materials and consumables

Specification of raw materials and consumables

SEKm	2024	2023
Timber and chips	–2,259	–2,303
Chemicals	–1,347	–1,168
Other raw materials and consumables	–1,246	–826
Goods purchased for resale	–229	–49
Total (IS)	**–5,081**	**–4,346**

B4 Other operating expenses

Specification of other operating expenses

SEKm	2024	2023
Transportation	–4,392	–4,173
Energy	–822	–844
Repairs and maintenance	–1,078	–955
IT and telephony	–507	–425
Other	–3,622	–3,166
Total (IS)	**–10,421**	**–9,563**

Other disclosures
Government grants received have reduced operating expenses by SEK 22m (43), 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 (45) in 2024.

Specification of auditing expenses

SEKm	2024	2023
EY		
Audit assignments	–13	–12
Auditing activities other than the audit assignment	–5	–1
Other assignments	0	–1
Total EY	**–18**	**–14**
Other auditors		
Audit assignments	–1	0
Total other auditors	**–1**	**0**
Total	**–19**	**–14**

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.

As of December 31, 2024, SEK 35m (45) was recognized as deferred tax assets based on best assessment of future taxable profits in the Group. At year-end 2024, the Group also had tax loss carryforwards of SEK 24m (24), for which no deferred tax asset had been recognized. Accordingly, a changed assessment of the probability of future taxable profits could have a positive or negative effect. In SCA's opinion, at the end of 2024 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 (–)

	2024		2023	
SEKm	**SEKm**	**%[1)]**	**SEKm**	**%[1)]**
Current tax				
Income tax for the period	343	7.6	52	1.2
Adjustments for other periods	–1	0.0	–38	–0.9
Current tax expense	**342**	**7.6**	**14**	**0.3**
Deferred tax				
Changes in temporary differences	535	11.8	839	18.9
Adjustments for other periods	5	0.1	–35	–0.8
Deferred tax expense (B5:3)	**540**	**11.9**	**804**	**18.1**
Tax expense (IS)	**882**	**19.5**	**818**	**18.4**

1) Percentage of profit before tax.

Recognized and expected tax expense

	2024		2023	
	SEKm	**%**	**SEKm**	**%**
Profit before tax (IS)	4,521		4,443	
Tax expense (IS)	882	19.5	818	18.4
Expected tax expense	888	19.6	928	20.9
Difference	**–6**	**–0.1**	**–110**	**–2.5**
The difference is due to:				
Permanent differences between accounting and taxable result				
Other permanent effects[1)]	–10	–0.2	–38	–0.9
Taxes related to other periods[2)]	4	0.1	–72	–1.6
Changes in tax rates	-	-	0	0.0
Total	**–6**	**–0.1**	**–110**	**–2.5**

1) Other permanent effects in 2024 relate primarily to non-taxable earnings from associated companies and non-taxable income relating to tonnage taxation. Other permanent effects in 2023 relate primarily to non-taxable earnings from associated companies and non-taxable income relating to tonnage taxation.

2) Taxes attributable to other periods in 2024 relate, for the most part, to adjustment of deferred tax liability in respect of buildings and land. Taxes attributable to other periods in 2023 relate, for the most part, to adjustment of deferred tax liability in respect of pensions, buildings and land and adjustment of tax deductions attributable to investments in equipment as well as adjustments to previous tax assessments.

The Group has been affected by legislation in accordance with Pillar 2, which 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 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	2024	2023
Value January 1	**–95**	**221**
Current tax expense (B5:1)	342	14
Paid tax (B5:2)	–293	–330
Translation differences	0	0
Other changes from acquisitions and divestments	-	0
Value December 31	**–46**	**–95**
of which current tax liability (BS)	*10*	*39*
of which current tax asset (BS)	*–56*	*–134*

TABLE B5:2

Paid tax
Tax payments by SCA entities by country, paid tax (–)

SEKm	2024	2023
France	0	2
China (Hong Kong)	–2	–3
United Kingdom	–4	0
Sweden	–281	–320
Germany	–6	–9
Other	0	0
Total (CF)	**–293**	**–330**

TABLE B5:3

Deferred tax liability 2024
Deferred tax liability (+), deferred tax asset (–)

SEKm	Value January 1	Deferred tax expense	Other changes[1]	Value December 31
Tangible fixed assets	2,652	141	–4	2,789
Forest assets	21,277	378	–500	21,155
Financial fixed assets	404	4	35	443
Current assets	26	–666	–12	–652
Provisions	–36	–6	12	–30
Liabilities	2	673	–35	640
Future tax credits and loss carryforwards	–22	17	0	–5
Other	25	–1	–51	–27
Total[2] (BS)	**24,328**	**540**	**–555**	**24,313**
of which deferred tax liability[3] (BS)				*24,348*
of which deferred tax asset[3] (BS)				*–35*

[1] Other changes include deferred tax recognized directly in equity according to IAS 19 of SEK 47m, IFRS 9 hedge accounting derivatives of SEK –97m and deferred tax attributable to the change in fair value of land assets of SEK –500m.
[2] Deferred tax assets on leases in accordance with IFRS 16 amount to SEK –11m (–9) net, of which SEK –133m (–131) in deferred tax assets and SEK 122m (122) in deferred tax liabilities.
[3] The corresponding amounts for 2023 were deferred tax liabilities of SEK 24,373m and deferred tax assets of SEK –45m.

Loss carryforwards
Future tax credits and loss carryforwards for which deferred tax assets were recognized have been reported at the tax amount of SEK –5m on the line future tax credits and 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, 2024, 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	2024	2023
Year of maturity		
Indefinite useful life	24	24
Total	**24**	**24**

C Employees

C1 Personnel costs

Personnel costs

SEKm	Note	2024	2023
Salaries and remuneration		–1,954	–1,838
of which Executive Management		*–63*	*–50*
of which Board	C4	*–9*	*–9*
Pension costs		–261	–204
of which defined benefit pension costs		*–16*	*–29*
of which other pension costs		*–245*	*–175*
Other social security costs		–608	–555
Other personnel costs		42	–58
Total personnel costs (IS)		**–2,781**	**–2,655**

C2 Personnel data

Average number of employees

	2024	2023
Average number of employees	3,456	3,413
of whom men	*2,607*	*2,593*
of whom women	*849*	*820*

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 30–35.

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 to 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 2024
In 2024, 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 2024 for the President and CEO and CFO comprised the Group's EBITDA, profit for the period, operating cash flow, industrial return on capital employed as well as development relating to the number of workplace accidents that result in lost time accidents (LTAs). 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 development relating to the number of workplace accidents that result in LTAs. 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 and also included wind power. 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 2024, SCA had three outstanding long term cash-based incentive programs, LTI 2022–2024, LTI 2023–2025 and LTI 2024–2026.

The performance criteria for LTI 2022–2024 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 2022–2024 fiscal years, which was measured as 60% in comparison with a peer group of other companies and as 40% in relation to the OMXS30 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 OMXS30 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 OMXS30 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 2019–2021 fiscal years. The maximum payment under the Sustainability condition required that the average annual climate benefit increased by 1.5 million tCO_2eq during the performance period compared to the average annual climate benefit during the 2019–2021 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 2022–2024 fiscal years. Payment of cash remuneration under the program can therefore not be made until 2025.

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 the 2023–2025 fiscal years, 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 increased climate benefit (million tCO_2eq) during the performance period (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 outcome requires the performance target (TSR) for the company to be 5% better than the outcome for the peer group and that the annual climate benefit must increase by 1.5 million tCO_2eq during the performance period compared with the average annual climate benefit during the fiscal years 2020–2022. The evaluation period for the program covers the fiscal years 2023–2025. Payment of cash remuneration under the program can therefore not be made until 2026.

The performance criteria for LTI 2024–2026 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 fiscal years, 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 (million tCO_2eq) during the 2026 fiscal year (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 SCA'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 is at least 10 million tCO_2eq. The maximum payment requires that SCA's climate benefit during the 2026 fiscal year is at least 15 million tCO_2eq. If the climate benefit is between the minimum and maximum levels during the 2026 fiscal year, payment is made on a linear basis.

The evaluation of the program covers the 2024–2026 fiscal years. Payment of cash remuneration under the program can therefore not be made until 2027.

For the 2022–2024 and 2023–2025 LTI programs, climate benefit is calculated using the model published in 2019, see page 146. For the 2024–2026 LTI program, climate benefit is calculated using the updated model on page 146.

Outcome, variable remuneration
LTI 2022–2024 consisted of targets related to a performance period that ended on December 31, 2024. During the performance period, the company's B share had a total shareholder return (TSR) of 3.7%, which is 1.8 percentage points better than the weighted TSR outcome for the peer group and the OMXS30 index. The average annual climate benefit decreased by 1 million tCO_2eq during the performance period compared to the average annual climate benefit during the 2019–2021 fiscal years. For the President and CEO, STI resulted in 86.0% of the annual maximum STI payment for 2024. For other senior executives, STI resulted in 59.0–86.0% of the annual maximum STI payment for 2024. Payment from LTI 2022–2024 was equivalent to 32.7% of the maximum outcome, which provided remuneration of 16.4% for the President and CEO and 13.1% for other senior executives, respectively. The President and CEO and other senior executives are entitled, as all Swedish salaried 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 page 79.

Current guidelines
The guidelines for determining salaries and other remuneration for senior executives as resolved by the 2022 AGM, apply until the 2026 AGM, unless significant changes are made before then.

TABLE C3:1

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.

Remuneration and other benefits in 2023

SEK	Fixed salary[1]	Variable remuneration[2]	Other benefits	Total salaries and remuneration
President and CEO[3]	10,900,000	4,000,300	160,657	15,060,957
Other senior executives (11 persons)[4]	26,419,550	7,642,979	1,234,359	35,296,888
Total	**37,319,550**	**11,643,279**	**1,395,016**	**50,357,845**

[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 2023 fiscal year but is paid in 2024.
[3] The supplementary STI program includes variable remuneration of SEK 1,994,700.
[4] The supplementary STI program includes variable remuneration of SEK 3,880,653.

The Senior executives category above includes 10 (11) persons, of which 7 (8) are men and 3 (3) are women.

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.

Pension costs 2023[1]

SEK	
President and CEO[2]	4,543,314
Other senior executives (11 persons)[2]	9,399,173
Total	**13,942,487**

[1] The pension costs pertain to the costs that affected profit for 2023, excluding pension tax expense.
[2] Outstanding pension obligations to all senior executives, including the President and CEO, amounted to SEK 30,868,643 (value as of December 31, 2023). 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 2024 AGM, for the period until the next AGM in April 2025. No remuneration is paid to the President and CEO and other employees.

	Board fee		Audit Committee fee		Remuneration Committee fee		Total	
SEK	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Pär Boman	-	2,085,000	-	285,000	-	145,000	-	2,515,000
Helena Stjernholm	2,145,000	-	290,000	-	145,000	-	2,580,000	-
Åsa Bergman	715,000	695,000	-	-	-	-	715,000	695,000
Lennart Evrell	715,000	695,000	-	-	125,000	120,000	840,000	815,000
Annemarie Gardshol	715,000	695,000	-	-	-	-	715,000	695,000
Carina Håkansson	715,000	695,000	-	-	-	-	715,000	695,000
Martin Lindqvist	715,000	695,000	290,000	285,000	-	-	1,005,000	980,000
Anders Sundström	715,000	695,000	-	-	125,000	120,000	840,000	815,000
Barbara Milian Thoralfsson	715,000	695,000	410,000	400,000	-	-	1,125,000	1,095,000
Karl Åberg	-	695,000	-	285,000	-	-	-	980,000
Total	**7,150,000**	**7,645,000**	**990,000**	**1,255,000**	**395,000**	**385,000**	**8,535,000**	**9,285,000**

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	2024	2023
Defined benefit obligations (C5:2)	1,390	1,419
Fair value of plan assets (C5:3)	–4,702	–4,466
Effect of asset ceiling (C5:4)	1,189	1,154
Provision for pensions, net (C5:1)	**–2,123**	**–1,893**

Surpluses in funded plans recognized as financial non-current assets amounted to (BS) SEK 2,448m (2,219) on the balance sheet date and provisions for pensions totaled (BS) SEK 325m (326). Defined benefit obligations include obligations in an amount of SEK 130m (134) 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 per plan 2024

	Commitments							
SEKm	Active	Paid-up pension policies	Pensioners	Total	Plan assets, fair value	Effect of asset ceiling	Net	Duration of obligation, years
Country								
Sweden	105	445	580	1,130	–3,457		–2,327	17
Other	161	46	53	260	–1,245	1,189	204	10
Total	**266**	**491**	**633**	**1,390**	**–4,702**	**1,189**	**–2,123**	

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 fund, 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 for defined benefit plans

SEKm	2024	2023
Service cost for the period, after deduction for premiums paid by the employees	–63	–18
Pension tax expense	1	4
Net interest	49	49
Pension costs	**–13**	**35**

TABLE C5:2

Defined benefit obligations

SEKm	2024	2023
Value January 1	**1,419**	**1,197**
Service cost for the period	63	18
Interest expense	53	54
Pension tax expense	–1	–4
Benefits paid	–66	–64
Pension taxes paid	0	0
Remeasurement: financial assumptions	–44	187
Remeasurement: demographic assumptions	0	13
Remeasurement: experience-based assumptions	11	104
Pension taxes pertaining to remeasurement	–45	–85
Translation differences	0	–1
Value December 31	**1,390**	**1,419**

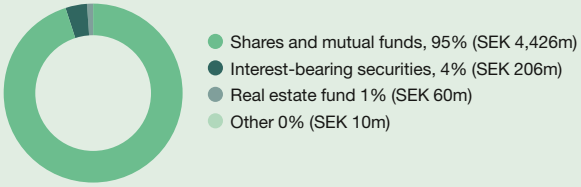
Remeasurements in the defined benefit obligations comprise changes in financial assumptions, such as changes to the discount rate, any changes in demographic assumptions and experience-based deviations. Experience-based deviations include unexpectedly high or low employee turnover.

TABLE C5:3

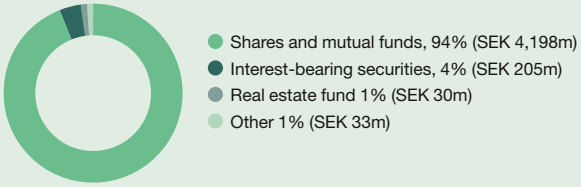
Fair value of plan assets

SEKm	2024	2023
Fair value January 1	**–4,466**	**–3,522**
Interest income	–138	–140
Contributions by the employer	0	–8
Benefits paid, excluding settlements	53	95
Return in excess of recognized interest income	–151	–891
Fair value December 31	**–4,702**	**–4,466**

The plan assets are distributed according to the following classes of assets 2024:



The plan assets are distributed according to the following classes of assets 2023:



100% (99) 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, 2024.

TABLE C5:4

Effect of asset ceiling

SEKm	2024	2023
Value January 1	**1,154**	**881**
Interest expense	36	36
Other changes to asset ceiling	–1	237
Value December 31	**1,189**	**1,154**

Effect of asset ceiling pertains to funds in a Swedish foundation that can be used for possible future undertakings for early retirement for certain categories of employees.

TABLE C5:5

Principal actuarial assumptions

Sweden	2024	2023
Discount rate	3.26	3.12
Expected salary increase rate	3.10	3.09
Expected inflation	1.91	1.98
Life expectancy, men[1)]	22	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 3.38 (3.17).

TABLE C5:6

Sensitivity analysis

SEKm	2024	2023
Discount rate +0.5%	133	118
Price inflation, including salary inflation +0.5%	–145	–132
Longevity +1 year	–64	–56

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 salaried employees in Sweden, secured through insurance with the insurance company Alecta. 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 2025 were calculated at SEK 66m. Contributions for multi-employer plans for 2025 were calculated at SEK 3m.

D Operating assets and liabilities

D1 Intangible fixed assets

§ ACCOUNTING PRINCIPLES

Other intangible fixed assets
Intangible assets include patents, licenses 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 3 and 20 years.

Customer relations are measured at fair value at the time of the acquisition. The value of these customer relations is amortized over their estimated useful life, which is considered to be between 3 and 15 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 as 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.

Intangible fixed assets

	Intangible assets	
SEKm	**2024**	**2023**
Accumulated cost	1,235	1,080
Accumulated depreciation	–349	–309
Accumulated impairment	–32	–90
Total	**854**	**681**
Value January 1	**681**	**521**
Investments	185	166
Reclassifications	40	11
Depreciation	–52	–17
Value December 31	**854**	**681**
Emission allowances, net value (D1:1)	166	118
Guarantees of origin, net value (D1:2)	5	14
Value December 31 including emission allowances (BS)	**1,025**	**813**

TABLE D1:1

Emission allowances

SEKm	2024	2023
Accumulated cost	166	118
Total	**166**	**118**
Value January 1	**118**	**210**
Emission allowances received	284	255
Sales	–116	–309
Revaluation	–3	44
Settlement with the Swedish government	–117	–82
Value December 31	**166**	**118**

TABLE D1:2

Guarantees of origin

SEKm	2024	2023
Accumulated cost	5	14
Total	**5**	**14**
Value January 1	**14**	**-**
Guarantees of origin received	20	59
Sales	–29	–45
Value December 31	**5**	**14**

Climate risks
As of 2024, the maritime sector is included in the EU Emission Trading System (EU ETS). There will be a gradual introduction of obligations. By 2027, it will be mandatory to compensate for 100% of the fossil emissions from both intra-European and non-European sea travel. Exemptions may be made for countries outside the EU where emissions coverage could be reduced to 50% under certain conditions. There will be no free allocation of emission allowances for maritime traffic, but SCA is expected to be able to 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. The sale of products from the running-in period is recognized as net sales. 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. Income from the sale of products manufactured during the completion of the facility are recognized over 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.

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

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.

Carrying amounts

	Buildings		Land and land improvements[1]		Machinery and equipment[2]		Construction in progress[3][4]		Total tangible fixed assets	
SEKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Accumulated cost	6,247	5,793	4,633	4,190	37,087	36,235	1,822	1,455	49,789	47,673
Accumulated depreciation	–2,409	–1,803	–2,545	–2,378	–18,396	–16,886	-	-	–23,350	–21,067
Accumulated impairment	–198	–201	–7	–84	–983	–1,079	–12	–12	–1,200	–1,376
Total	**3,640**	**3,789**	**2,081**	**1,728**	**17,708**	**18,270**	**1,810**	**1,443**	**25,239**	**25,230**
Value January 1	**3,789**	**2,550**	**1,728**	**1,580**	**18,270**	**10,798**	**1,443**	**9,872**	**25,230**	**24,800**
Investments	45	52	168	167	572	878	1,219	879	2,004	1,976
Sales and disposals	-	-	-	–13	–1	–14	-	-	–1	–27
Asset acquisitions[5]	-	-	-	-	-	14	-	253	-	267
Company divestments	–47	-	–17	-	-	-	-	-	–64	-
Reclassifications	16	1,348	368	146	410	8,039	–852	–9,544	–58	–11
Depreciation	–163	–161	–166	–152	–1,543	–1,446	-	-	–1,872	–1,759
Impairment	-	-	-	-	-	-	-	–4	-	–4
Translation differences	-	-	-	-	-	1	0	–13	0	–12
Value December 31 (BS)	**3,640**	**3,789**	**2,081**	**1,728**	**17,708**	**18,270**	**1,810**	**1,443**	**25,239**	**25,230**

[1] Land and land improvements include forest roads valued at SEK 1,030m (990). Investments for the year in forest roads amounted to SEK 137m (138) and depreciation for the year to SEK 96m (91).
[2] In 2024, government grants were included in the form of investment grants in the amount of SEK 0m (6).
[3] During the period, interest was capitalized in an amount of SEK 19m (45). The average interest rate used was 4.1% (4.0).
[4] Of the outgoing value of construction in progress and advance payments for tangible fixed assets, SEK 968m pertained to investments in Fasikan Vind AB.
[5] Asset acquisitions in 2023 pertain entirely to the acquisition of wind farms.

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 inventories and simulated growth.

SCA's valuation uses inputs, which under IFRS 13 are recognized at various levels in the evaluation hierarchy, to measure its forest assets. The statistics obtained are market-corroborated 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 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 16.31, and are recognized on a separate line in the balance sheet under forest assets. The change in value pertaining to land 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, and a comparison is also conducted between forest inventories. The Swedish National Forest Inventory is performed by the Swedish University of Agricultural Sciences, 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 another data source to determine the price interval used to assess the price for valuation. This data source is an external DCF valuation from Norskog. SCA's own transactions in the Baltic region is used as a further comparison and is within the range of the two primary sources. 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.

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 that may restrict the extraction of raw material, the right to cultivate the forest and requirements for increased set-asides may reduce harvestable volume. When assessing the value of forest assets, these risks and opportunities are taken into account, for example by considering current environmental restrictions and the effects of known political decisions that affect how the assets can be used. For the valuation of biological assets, the company includes assumptions about the effects of

the described climate change. Already known restrictions and decisions were included in the valuation. Given the uncertainty surrounding the timing and magnitude of other effects and the fact that they are expected to have both positive and negative impacts, the company's best estimate in 2024 was that they had a neutral impact on the value of the biological assets.

A sensitivity analysis is presented in table D3:2 that covers significant assumptions such as changed yield requirement, wood price, harvesting costs and volumes to provide an opportunity to estimate the value under other assumptions.

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 million hectares of forest assets in northern Sweden, of which approximately 2.0 million is productive forest land. SCA also owns just over 66,000 hectares of forest land and 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 million m³fo per year on productive forest area. Net growth, meaning growth after harvesting and natural losses, was estimated in 2024 to approximately 2.7 million m³fo in Sweden and 0.1 million m³fo in the Baltic region. As of December 31, 2024, timber volume was estimated to amount to approximately 266 (263) million m³fo in Sweden and approximately 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. 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. The price differences between the areas 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 2024, SCA was a party in approximately 2% (2) of the transactions.

The three-year average price in 2024 was SEK 388/m³fo (395) 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 44.0/m³fo (40.5).

Forest assets

	Biological assets		Land assets		Total forest assets	
SEKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Value January 1	**58,214**	**55,681**	**49,267**	**42,201**	**107,481**	**97,882**
Acquisitions	204	237	167	210	371	447
Divestments	–159	–6	–147	–21	–306	–27
Other changes in fair value[1)]	2,096	2,302	–2,313	6,877	–217	9,179
Value December 31 (BS)	**60,355**	**58,214**	**46,974**	**49,267**	**107,329**	**107,481**

[1)] Other changes are mainly recognized as the change in value related to market price for forest properties and the net growth of the forest.

Growth in SCA's forest

	Total	
Volume, million m³fo	**2024**	**2023**
Value January 1	**271.1**	**267.2**
Available growth	9.5	9.5
of which gross forest growth	*10.9*	*10.9*
of which natural losses and pre-commercial thinning	*–1.4*	*–1.4*
Harvesting	–6.7	–6.1
Net forest growth	2.8	3.4
Value December 31	**273.9**	**270.6**
Acquisitions	0.2	0.5
Value December 31	**274.1**	**271.1**
of which Sweden	*265.8*	*263.1*
of which Baltic region	*8.3*	*8.0*

Distribution by country

SEKm	**2024**	**2023**
Forest assets in Sweden[1)]	103,145	103,927
Forest assets in the Baltic region[2)]	4,184	3,554
Total value of forest assets	**107,329**	**107,481**
Deferred tax related to forest assets	21,155	21,277

[1)] The fair value of SCA's forest assets in Sweden in 2024 was based on a timber volume of approximately 266 million m³fo multiplied by the market price of SEK 388/m³fo.

[2)] The fair value of SCA's forest assets in the Baltic region in 2024 was based on a timber volume of approximately 8 million m³fo multiplied by the market price of EUR 44.0/m³fo (translated to SEK at the closing day rate).

Carrying amount per hectare and forest cubic meter

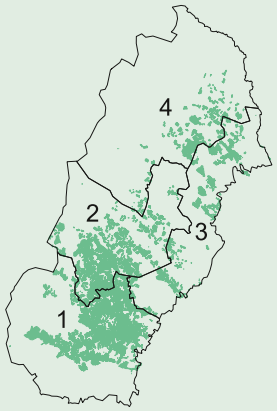
	2024	**2023**
Productive area SEK/hectare (Sweden)	50,697	51,176
Total area SEK/hectare (Sweden)	40,033	40,396
Productive area EUR/hectare (Baltic region)	5,540	5,267
SEK/m³fo (Sweden)	388	395
EUR/m³fo (Baltic region)	44.0	40.5

Market data calculation three-year average by area in Sweden[1)]

Area	Price weight	Market price (three-year average) 2024	Market price (three-year average) 2023	No. of transactions (three years) 2024	No. of transactions (three years) 2023
Norrbotten	5%	286	274	152	82
Västerbotten	7%	331	356	329	188
Jämtland	20%	398	408	295	184
Västernorrland	18%	442	465	169	108
Total Swedish assets, Ludvig & Co	**50%**	**392**	**406**	**945**	**562**
Area 1	30%	426	435	293	199
Area 2	12%	313	289	155	161
Area 3	6%	378	376	259	245
Area 4	3%	261	255	60	55
Total Swedish assets, Svefa	**50%**	**384**	**383**	**767**	**660**
Average Swedish assets	**100%**	**388**	**395**	**856**	**611**

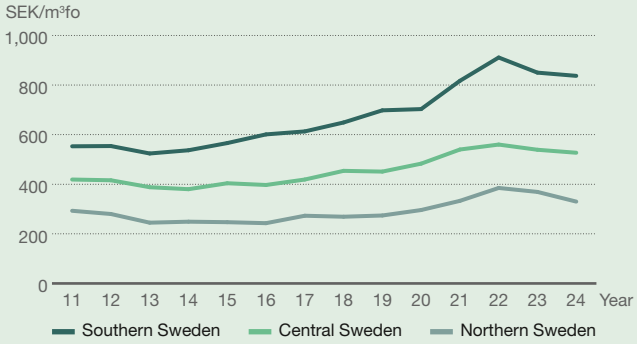
1) In 2024, Ludvig & Co expanded its transaction base to include forest transactions from other brokers. The three-year average for 2024 is based on the expanded base. The three-year average for 2023 is based on transactions brokered by Ludvig & Co.

Price area Svefa

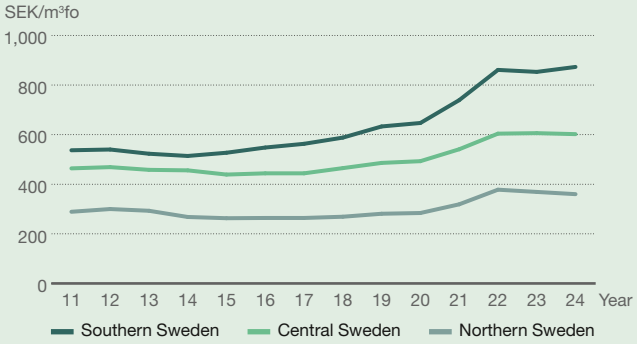


Forest land prices, Sweden, nominal value 2011–2024

Ludvig & Co

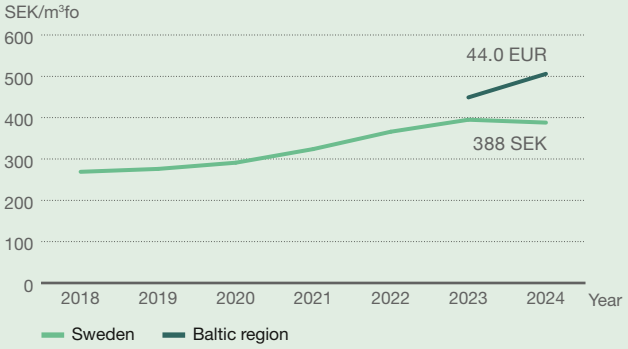


Svefa



Market price of forest transactions

Historical market price 2018–2024 (based on three-year average)



Market data included in SCA's forest valuation[1)]

Inputs used in three-year average[2)]	2024	Year 2024	Year 2023	Year 2022
No. of transactions	856	309	286	261
Average price, SEK/m³fo	388	359	390	416
Average size of estate (ha)	129	122	127	138

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) In 2024, Ludvig & Co expanded its transaction base to include forest transactions from other brokers. The three-year average for 2024 is based on the expanded base.

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

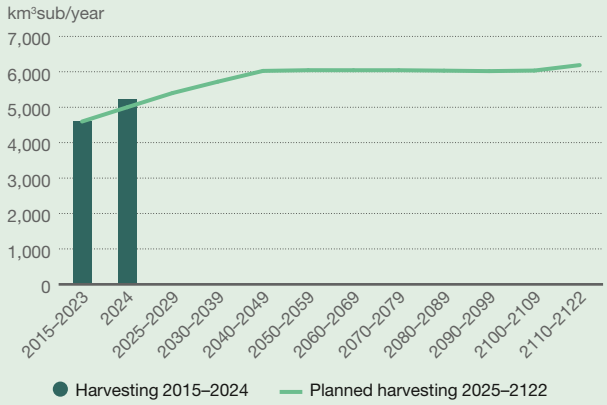
SEK bn	Assumptions	Change in value 2024	Change in value 2023
Market price	**Price change**		
Total three-year average based on market statistics	5% on a total volume of 274 (271) million m³fo	5.4	5.4
Norrbotten three-year average	5% on a price weight of 10%	0.6	0.5
Västerbotten three-year average	5% on a price weight of 14%	0.7	0.7
Jämtland three-year average	5% on a price weight of 40%	2.0	2.1
Västernorrland three-year average	5% on a price weight of 36%	1.9	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%)	1.2	1.2

1) The sensitivity figures are based on the Swedish market price, which for 2024 has been set to SEK 388 (395) /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 3.8% (3.6) 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 long-term harvesting plan and a production cycle that extends over approximately 100 years.

Harvesting
Harvesting 2015–2024 and planned harvesting 2025–2122



Assumptions regarding future price and cost levels are based on historical price trends adjusted for inflation. The valuation assumes an average wood price of SEK 549 (528) per m³sub. Annual harvesting in 2024 was 5.2 (5.0) 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 (IS) SEK 1,840m (2,198). The total change in value of biological assets amounted to SEK 2,141m (2,533).

Yield requirement
SCA estimates that the yield requirement for areas where SCA has forest assets in Sweden was between 3.3–4.4% (3.3–3.9) after tax. SCA estimates that the yield requirement increased slightly in 2024 to 3.8% (3.6) 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 73bn (65) and if the higher end of the range had been used the biological assets would have been valued at SEK 47bn (52), 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 856 transactions (611) over the 2022–2024 period. No area had fewer than 60 transactions (55) during the measurement period. Total transaction volume corresponded to approximately 4% (3) 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**	**2024**	**2023**
Yield requirement	Reduction by 0.1%	2.3	2.2
Wood price	Increase of 10%	12.6	12.3
Harvesting cost	Increase of 10%	–3.5	–3.4
Volume harvested	Increase of 10%	6.4	6.0

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 2024, the value of the land asset amounted to SEK 46,974m (49,267), meaning the total value of the forest asset of SEK 107,329m (107,481) less biological assets of SEK 60,355m (58,214).

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 2024 amounted to SEK 128m (118) and is expected to continue 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 –2,376m (6,957) for 2024.

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 opinion 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 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, 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 vehicles.
[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.

	Right-of-use assets						
SEKm	Properties, real estate	Trains	Work vehicles	Company cars	Other	Total	Lease liabilities[2]
Value January 1, 2023	**265**	**183**	**72**	**27**	**14**	**561**	**588**
Lease payments	-	-	-	-	-	-	–202
Depreciation	–67	–39	–27	–29	–8	–170	-
Interest expenses	-	-	-	-	-	-	28
Additional and remeasured contracts[1]	65	22	14	79	4	184	197
Terminated contracts	–1	-	2	–6	–1	–6	–12
Translation differences	1	-	0	0	-	1	1
Value December 31 (BS)	**263**	**166**	**61**	**71**	**9**	**570**	**600**

[1] Additional contracts amount to SEK 149m and remeasurement of existing contracts to SEK 48m. 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 23m concerns office premises, SEK 22m railcars and SEK 69m vehicles.
[2] Of the total lease liability at year-end, SEK 442m is classified as non-current financial liabilities and SEK 158m as current financial liabilities. An analysis by maturities is provided in Note E4.

Amounts reported in income statement

SEKm	2024	2023
Depreciation right-of-use assets	–191	–170
Interest expenses, lease liability	–29	–28
Lease payments related to low value leases	–2	–2
Lease payments related to short-term leases	–1	–7
Variable payments	–14	–15
Terminated contracts	1	–2
Total	**–236**	**–224**

Cash flow
SCA recognizes a cash flow effect arising from payments related to present value calculated leasing contracts of SEK 215m (202). The cash flow effect attributable to low value leases, short-term leases and variable payments amounts to SEK 17m (24).

TABLE D4:1

Operating leases where SCA is lessor
Rental income for the year amounts to SEK 162m (152).
Future minimum lease payments for operating leases mature according to the table below:

SEKm	2024	2023
Within 1 year	123	125
Between 1 and 5 years	537	499
More than 5 years	108	134
Total	**768**	**758**

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	2024	2023
Raw materials and consumables	1,542	1,430
Spare parts and supplies	917	868
Products in progress	235	113
Finished products	1,927	1,767
Felling rights	1,109	1,183
Total (BS)	**5,730**	**5,361**

Impairment of inventory amounted to SEK 19m (39) 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	2024	2023
Other current receivables included in working capital		
VAT receivables	243	180
Accrued income	80	152
Prepaid expenses	193	215
Receivables authorities	83	62
Derivatives	30	384
Other receivables	174	225
Total other current receivables included in working capital	**803**	**1,218**
Other current receivables excluded in working capital		
Receivables electricity certificates	0	1
Total other current receivables excluded in working capital	**0**	**1**
Total (BS)	**803**	**1,219**

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	2024	2023
Other non-current liabilities		
Derivatives	-	44
Other non-current liabilities	0	0
Total (BS)	**0**	**44**
Of which items that fall due for payment later than within 5 years	-	0
Other current liabilities		
Other current liabilities included in working capital		
Derivatives	270	36
Accrued expenses and prepaid income (D7:1)	840	883
Other operating liabilities	160	263
Total other current liabilities included in working capital	**1,270**	**1,182**
Other current liabilities excluded in working capital		
Accrued expenses and prepaid income (D7:1)	22	37
Other operating liabilities	-	60
Total other current liabilities excluded in working capital	**22**	**97**
Total (BS)	**1,292**	**1,279**

TABLE D7:1

Accrued expenses and prepaid income

SEKm	2024	2023
Accrued expenses and prepaid income included in working capital		
Accrued social security costs	111	95
Accrued vacation pay liability	116	106
Other liabilities to personnel	166	123
Bonus and discounts to customers[1)]	83	173
Other items	364	386
Total accrued expenses and prepaid income included in working capital	**840**	**883**
Accrued expenses and prepaid income excluded in working capital		
Emission allowances	22	37
Total accrued expenses and prepaid income excluded in working capital	**22**	**37**
Total	**862**	**920**

[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	**146**	**98**	**244**
Provisions	92	26	118
Utilization	–36	–154	–190
Reclassifications	4	91	95
Dissolutions	0	–38	–38
Translation differences	-	0	0
Value December 31	**206**	**23**	**229**
Provisions comprise:			
Long-term component (BS)			57
Short-term component (BS)			172
of which short-term component included in working capital			-
of which short-term component excluded in working capital			*172*

Of the provisions for the period for environment, SEK 90m pertains to carbon dioxide emissions, which will be paid out in 2025. 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 18m relates mainly to personnel costs linked to organizational changes and are scheduled to be largely used during 2025. Provisions arising from the discontinuation of publication paper operations decreased by SEK 19m during the year. The change primarily relates to costs for decommissioning work and also personnel costs. The remaining funds of SEK 5m mainly concern the remaining decommissioning work and are scheduled to be used in 2025.

D9 Trade payables

Trade payables

SEKm	2024	2023
Trade payables included in working capital		
Trade payables	3,774	3,864
Total trade payables included in working capital	**3,774**	**3,864**
Trade payables excluded from working capital		
Trade payables strategic capital expenditures	666	99
Total trade payables excluded from working capital	**666**	**99**
Total (BS)	**4,440**	**3,963**

SEK 1,835m (1,866) 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. Equity instruments and loans are recognized on the settlement date.

Trade receivables and trade payables are recognized in the balance sheet once the invoice has been sent or received, respectively.

For disclosures relating to interest-bearing loans and investments, current market interest rates are taken into account in fair value calculations, refer to Note E4.

Financial instruments by category and measurement level

SEKm	Note	Measurement level	2024	2023
Financial assets measured at fair value in the income statement				
Non-current financial assets	E2	2	102	95
Derivatives – Current financial assets	E2	2	1	4
Derivatives – Other current receivables	D6	2	8	63
Total			**111**	**162**
Financial liabilities measured at fair value in the income statement				
Derivatives – Current financial liabilities	E4	2	3	4
Derivatives – Other current liabilities	D7	2	45	4
Total			**48**	**8**
Financial assets measured at fair value through other comprehensive income				
Equity instruments	E2	3	14	14
Total			**14**	**14**
Financial assets measured at amortized cost				
Prepaid financial expenses	E2	-	91	87
Trade receivables	E3	-	3,279	2,858
Cash and cash equivalents	E2	-	1,328	502
Total			**4,698**	**3,447**
Financial liabilities measured at amortized cost				
Non-current financial liabilities excluding leases and derivatives	E4	-	11,107	11,044
Non-current financial liabilities leases	D4, E4	-	402	442
Current financial liabilities excluding leases and derivatives	E4	-	2,857	1,740
Current financial liabilities leases	D4, E4	-	204	158
Trade payables	D9	-	4,440	3,963
Total			**19,010**	**17,347**
Derivatives used for hedge accounting				
Non-current financial assets	E2	2	39	39
Other non-current assets	-	2	-	27
Other current receivables	D6	2	22	321
Total			**61**	**387**
Non-current financial liabilities	E4	2	10	12
Other non-current liabilities	D7	2	0	44
Other current liabilities	D7	2	225	32
Total			**235**	**88**

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, of which the fair value is presented in Note E4.

Financial instruments in other notes to the balance sheet

SEKm	Note	2024 Financial instruments	2024 Of which derivatives	2023 Financial instruments	2023 Of which derivatives
Assets					
Financial assets, cash and cash equivalents	E2	1,575	40	741	43
Other non-current assets		0	0	27	27
Trade receivables	E3	3,279	-	2,858	-
Other current receivables	D6	30	30	384	384
Total		**4,884**	**70**	**4,010**	**454**
Liabilities					
Financial liabilities excluding leases	E4	13,977	13	12,800	16
Other non-current liabilities	D7	0	-	44	44
Lease liabilities	D4, E4	606	-	600	-
Trade payables	D9	4,440	-	3,963	-
Other current liabilities	D7	270	270	36	36
Total		**19,293**	**283**	**17,443**	**96**

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. Loan receivables are recognized at amortized cost. 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 in net financial items.

Financial assets, cash and cash equivalents

SEKm	Carrying amount 2024	Carrying amount 2023
Non-current financial assets		
Equity instruments (E2:1)	14	14
Derivatives	39	39
Capital investments, other	102	95
Total (BS)	**155**	**148**
Current financial assets		
Prepaid financial expenses	91	87
Derivatives	1	4
Total (BS)	**92**	**91**
Cash and cash equivalents		
Cash and bank balances	1,328	502
Total (BS)	**1,328**	**502**
Total financial assets, cash and cash equivalents	**1,575**	**741**

TABLE E2:1

Equity instruments

SEKm	2024	2023
Value January 1	**14**	**14**
Revaluation taken to equity, net	0	-
Value December 31	**14**	**14**

Distribution of equity instruments

SEKm	2024	2023
Shares – Shore Link AB	3	3
Shares – Sundsvalls Hamn AB	7	4
Shares – Bioenergi i Luleå AB	3	3
Other	1	4
Total	**14**	**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. 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. 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 provision for expected customer losses is based on an individual assessment of overdue trade receivables for each customer. 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. The total provision for expected customer losses, in addition to the trade receivables assessed individually, amounted to SEK –10m (–9) at the end of 2024. SCA has signed credit insurance in order to reduce its credit risk. The trade receivables covered by the credit insurance amount to 36% (36) of total trade receivables on December 31, 2024. Any impairment of trade receivables affects SCA's other operating expenses. SCA's trade receivables are current and are not discounted.

Trade receivables

SEKm	2024	2023
Trade receivables, gross	3,321	2,892
Provision to reserves for expected customer losses	–42	–34
Total (BS, E3:1)	**3,279**	**2,858**

TABLE E3:1

Analysis of credit risk exposure in trade receivables

SEKm	2024	2023
Trade receivables neither overdue nor impaired	**2,902**	**2,369**
Trade receivables overdue but not impaired		
Less than 30 days	328	390
Between 30–90 days	31	91
More than 90 days	18	8
Total trade receivables overdue but not impaired	**377**	**489**
Total	**3,279**	**2,858**

SCA's customer structure is diversified, with customers in many different areas of business. In 2024, SCA's ten largest customers accounted for 30% (37) of SCA's sales. More information is available in the section on credit risks on page 71.

Provision for expected customer losses

SEKm	2024	2023
Value January 1	**–33**	**–38**
Provision for expected credit losses	–9	–11
Confirmed credit losses	1	2
Decrease due to reversal of provisions for expected credit losses	2	15
Reclassification	–3	–1
Translation differences	0	0
Value December 31	**–42**	**–33**

Expected credit losses in the income statement amounted to SEK –1m (0).

E4 Financial liabilities

Financial liabilities

SEKm	2024	2023
Non-current financial liabilities		
Bond loans	2,700	4,000
Derivatives	10	12
Other non-current loans with maturities between 1 and 5 years	5,765	5,309
Lease liabilities with maturities between 1 and 5 years	280	283
Other non-current loans with maturities of more than 5 years	2,642	1,735
Lease liabilities with maturities of more than 5 years	122	159
Total (BS)	**11,519**	**11,498**
Current financial liabilities		
Bond loans	1,300	-
Derivatives	3	4
Commercial paper	-	395
Amortization within 1 year	797	566
Loans with maturities of less than 1 year	715	726
Lease liabilities with maturities of less than 1 year	204	158
Accrued financial expenses	45	53
Total (BS)	**3,064**	**1,902**
Total financial liabilities	**14,583**	**13,400**
Fair value of financial liabilities[1)]	13,851	12,601

[1)] The fair value of financial liabilities are recognized excluding lease liabilities.

Borrowing

Climate and sustainability are now an integrated and essential part of credit analyses from creditors, banks and rating institutions. It is therefore crucial to fulfil the ever more stringent standards in this area. 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, 2024, a nominal SEK 4,000m (4,000) was outstanding, of which green bonds accounted for SEK 1,500m (1,500). The green bonds were issued under the SCA Green Bond Framework from 2021, which complies 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	2025	1,000	1,003
Bond – fixed rate	2025	300	296
Bond – fixed rate	2027	1,200	1,139
Bond – floating rate (Green)	2028	1,100	1,102
Bond – fixed rate (Green)	2028	400	375
Total		**4,000**	**3,915**

Bilateral loans

Approximately 70% of SCA's outstanding debt 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, 2024, the nominal amount of these loans was SEK 9,919m (8,336).

SEKm	Carrying amount	Fair value
Bilateral loans with maturities of less than 1 year	1,512	1,513
Bilateral loans with maturities between 1 and 5 years	5,765	5,774
Bilateral loans with maturities of more than 5 years	2,642	2,649
Total	**9,919**	**9,936**

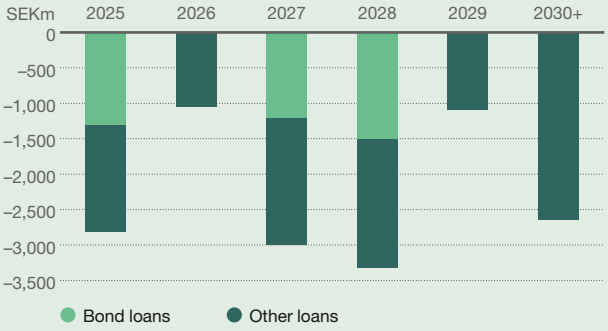
Commercial paper program

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 (400) was outstanding.

Credit facilities

SCA has a syndicated credit facility with the bank group of SEK 6,000m (5,000) to limit the refinancing risk and maintain a liquidity reserve. The facility was signed in November 2024 and has a maturity of five years, with two extension options of one year each. The syndicated credit facility was unutilized on December 31, 2024. As of December 31, 2024, SCA had no other guaranteed credit facilities.

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 page 71.

Changes in liabilities from financial activities

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**

SEKm	OB 2023	Cash flow (CF)	Reclassification from non-current to current liabilities	Revaluation	Other	CB 2023
Current financial liabilities	1,635	–964	1,066	-	3	1,740
Non-current financial liabilities	10,312	1,798	–1,066	-	-	11,044
Lease liabilities	588	–202	-	48	166	600
Derivatives	5	-	-	11	-	16
Total liabilities from financing activities	**12,540**	**632**	**-**	**59**	**169**	**13,400**

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 on page 71.

Liquidity risk

SEKm	Less than 1 year	Between 1 and 5 years	More than 5 years
2024			
Loans including interest	3,213	9,403	2,983
Lease liability including interest	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	-
2023			
Loans including interest	2,174	10,465	1,931
Lease liability including interest	184	357	282
Net settled derivatives	-	-	-
Energy derivatives	24	10	-
Trade payables	2,035	1,928	-
Total	**4,417**	**12,760**	**2,213**
Gross settled derivatives[1)]	8,060	730	-

[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 reversed 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 Financial Instruments, 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
2024				
Nominal	10,228	2,559	127	12,914
Assets	24	39	7	70
Liability	206	10	67	283
2023				
Nominal	8,452	1,683	173	10,308
Assets	324	39	91	454
Liability	50	12	34	96

Offsetting of outstanding derivatives

SEKm	Assets	Liabilities
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**
December 31, 2023[1)]		
Gross amount	460	102
Offsettable amount	–6	–6
Net amount recognized in the balance sheet	**454**	**96**
ISDA agreements whose transactions are not offset in the balance sheet[2)]	–89	–89
Net after offsetting in accordance with ISDA agreements	**365**	**7**

[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 Board of Directors' Report. The table above shows the derivatives that impacted the Group's balance sheet on December 31, 2024. 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 40m (–360) on operating profit for the period. The net market value amounted to SEK –134m (269) on the balance sheet date. Currency hedges impacted the cost of non-current assets by SEK 1m (–15). The net market value amounted to SEK –20m (–40) on the balance sheet date. The net market value for interest rate risk hedges amounted to SEK 29m (27). Interest rate derivatives impacted net interest items in an amount of SEK 34m (31).

Energy derivatives had an impact of SEK –9m (60) on operating profit for the period. Energy derivatives had an outstanding market value of SEK –49m (43) 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, 2024 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 5% against all currencies, outstanding financial hedges, trade payables and trade receivables would decrease/increase profit before tax by SEK 352m (264). Financial hedges with maturities of more than one year would increase/decrease equity by SEK 0m (9).

For forward cover relating to the cost of non-current assets, a 5% increase/decrease in the strength of the Swedish krona would entail a decrease/increase in equity of SEK 20m (9). For hedge options relating to the cost of non-current assets, a 5% increase in the strength of the Swedish krona would entail a decrease in equity of SEK 26m (28) and, conversely, a weakening of the Swedish krona of 5% would increase equity by SEK 31m (30).

If energy prices increase/decrease by 20%, outstanding financial hedges relating to electricity would decrease/increase energy costs by SEK 1m (27). In addition to the earnings impact, equity would increase/decrease by SEK 9m (14).

Outstanding derivatives with hedge accounting[1)]

SEKm	Assets	Liability	Net	Tax	Hedge reserve after tax
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**
2023					
Derivatives with hedge accounting in hedge reserve					
Cash flow hedges:					
Energy risk	78	–35	43	–9	34
Currency risk	270	–41	229	–47	182
Interest rate risk	39	–12	27	–5	22
Total	**387**	**–88**	**299**	**–61**	**238**

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 2025. With unchanged exchange rates, profit after tax will be affected in an amount of SEK –107m (214). Currency derivatives relating to hedging of the cost of non-current assets have a maturity spread until the end of 2026. With unchanged exchange rates, the cost of non-current assets will change by SEK –16m (–32) after tax.

The derivatives intended to hedge energy costs in the Group mature during 2025. With unchanged prices, the Group's profit after tax will be affected in an amount of SEK –38m (34).

E7 Financial income and expenses

Financial income and expenses[1)]

SEKm	2024	2023
Results from shares and participations in other companies		
Dividend	1	2
Interest income and similar profit items		
Interest income, investments	73	70
Other financial income	5	13
Total financial income (IS)	**79**	**85**
Interest expenses and similar loss items		
Interest expenses, borrowing[2)]	–521	–418
Interest expenses, derivatives	2	–9
Interest expenses, leases	–29	–27
Other financial expenses	–37	–45
Total financial expenses (IS)	**–585**	**–499**
Total	**–506**	**–414**

1) Other financial income and expenses include an exchange difference of SEK 4m (5).
2) Capitalized interest has reduced interest expenses by SEK 19m (45).

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 160m (144) higher. A sensitivity analysis has been performed on the risk to which SCA was exposed at December 31, 2024 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 on page 71.

E8 Equity

Equity totaled SEK 104,035m (104,284) at December 31, 2024. 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, 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	-	-	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**
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	–1	-	–1	-	–1
Tax on cash flow hedge, transferred to acquisition cost	-	-	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 specification on page 127.
[2] Including special payroll tax.
[3] For a specification of income tax attributable to components in other comprehensive income, see page 127.
[4] Dividend of SEK 2.75 per share and pertains to owners of the Parent. For the 2024 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.

Earnings per share

	2024	2023
Profit for the year attributable to owners of the Parent, SEKm	3,639	3,675
Profit for the year attributable to non-controlling interests, SEKm	-	–50
Average number of shares, millions	702	702
Earnings per share, SEK – owners of the Parent	5.18	5.23

SEKm	Equity attributable to owners of the Parent					Non-controlling interests	Total equity
	Share capital	Other capital provided	Reserves[1]	Retained earnings	Total		
Value January 1, 2023	**2,350**	**6,830**	**31,833**	**55,345**	**96,358**	**-**	**96,358**
Profit for the period recognized in the income statement (IS)	**-**	**-**	**-**	**3,675**	**3,675**	**–50**	**3,625**
Other comprehensive income for the period							
Items that cannot be transferred to profit for the period							
Change of value land assets	-	-	6,957	-	6,957	-	6,957
Revaluation of defined benefit pension plans[2]	-	-	-	436	436	-	436
Income tax attributable to components in other comprehensive income	-	-	–1,324	–90	–1,414	-	–1,414
Total	**-**	**-**	**5,633**	**346**	**5,979**	**-**	**5,979**
Items that have been or may be reclassified subsequently to the income statement							
Cash flow hedges:							
Result from revaluation of derivatives recognized in equity	-	-	–180	-	–180	-	–180
Transferred to the income statement for the period	-	-	269	-	269	-	269
Hedge cost	-	-	5	-	5	-	5
Translation differences in foreign operations	-	-	–35	-	–35	-	–35
Tax on items recognized directly in/transferred from equity[3]	-	-	–19	-	–19	-	–19
Other comprehensive income for the period, net after tax	**-**	**-**	**5,673**	**346**	**6,019**	**-**	**6,019**
Comprehensive income for the period (OCI)	**-**	**-**	**5,673**	**4,021**	**9,694**	**–50**	**9,644**
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	–15	-	–15	-	–15
Tax on cash flow hedge, transferred to acquisition cost	-	-	3		3	-	3
Acquisition of non-controlling interests	-	-	-	0	0	50	50
Revaluation effect upon acquisition of non-controlling interests	-	-	-		-	-	-
Dividend[4]	-	-	-	–1,756	–1,756	-	–1,756
Value December 31 (BS)	**2,350**	**6,830**	**37,494**	**57,610**	**104,284**	**-**	**104,284**

[1] Revaluation reserve, hedge reserve, hedging cost and translation reserve are included in the reserves line in the balance sheet, see specification on page 127.
[2] Including special payroll tax.
[3] For a specification of income tax attributable to components in other comprehensive income, see page 127.
[4] Dividend of SEK 2.50 per share and pertains to owners of the Parent. For the 2023 fiscal year, the Board has decided to propose a dividend of SEK 2.75 per share to the Annual General Meeting.

For further information regarding equity, see Parent Company Note PC13.

Equity, specification of reserves

	Revaluation reserve		Hedge reserve[1]		Translation reserve	
SEKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Value January 1	**37,453**	**31,820**	**229**	**166**	**–188**	**–153**
Revaluation of land assets	–2,376	6,957	-	-	-	-
Cash flow hedges:						
Result from revaluation of derivatives recognized in equity	-	-	–419	–180	-	-
Transferred to the income statement for the period	-	-	–65	269	-	-
Hedge cost	-	-	12	5	-	-
Translation differences in foreign operations	-	-	-	-	125	–35
Tax on items recognized directly in/transferred from equity	500	–1,324	97	–19	-	-
Other comprehensive income for the period, net after tax	**–1,876**	**5,633**	**–375**	**75**	**125**	**–35**
Cash flow hedge, transferred to acquisition cost of hedged investments	-	-	–1	–15	-	-
Tax on cash flow hedge, transferred to acquisition cost	-	-	0	3	-	-
Value December 31	**35,577**	**37,453**	**–147**	**229**	**–63**	**–188**

[1] See also Note E6 for details of when profit or loss is expected to be recognized.

Specification of income tax attributable to other comprehensive income for the period

	2024			2023		
SEKm	**Before tax**	**Tax effect**	**After tax**	**Before tax**	**Tax effect**	**After tax**
Revaluation of defined benefit pension plans	229	–47	182	436	–90	346
Cash flow hedges	–484	97	–387	89	–19	70
Hedge cost	12	-	12	5	-	5
Translation differences in foreign operations	125	-	125	–35	-	–35
Revaluation of land assets	–2,376	500	–1,876	6,957	–1,324	5,633
Other comprehensive income for the period	**–2,494**	**550**	**–1,944**	**7,452**	**–1,433**	**6,019**

At December 31, 2024, the debt/equity ratio amounted to 10.5% (10.3). Change in liabilities and equity is described on page 65 in the Financial position section. 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 and risk management section on page 71.

F Group structure

F1 Subsidiaries

§ ACCOUNTING PRINCIPLES

Subsidiaries
Gällö Timber AB manages forest and sells solid-wood products. Until December 31, 2023, 50% of the company was owned by SCA and 50% by AB Persson Invest. SCA was deemed to have a controlling influence over Gällö Timber AB since it had control over activities with an impact on Gällö Timber AB's return. The SCA Group thus consolidated 100% of the company. SCA was entitled to purchase the remaining shares in the company under option contracts, for which reason SCA recognized an option liability in the balance sheet and did not recognize any non-controlling interest in equity.

On January 1, 2024, SCA exercised the right to acquire the remaining shares in Gällö Timber AB and thereby owns all of the shares in the company.

List of major subsidiaries
The Group's participations in major subsidiaries at December 31, 2024. The table below shows wholly owned subsidiaries and subsidiaries with significant interests and controlling influence, with external and internal sales in excess of SEK 100m in 2024.

Company name	Corp. Reg. No.	Domicile	Share of voting power December 31, 2024	Share of voting power December 31, 2023
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	50
SCA Metsad Eesti AB	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	2024	2023	2024	2023
Value January 1	**400**	**363**	**853**	**743**
Investments	-	-	45	96
Net change (IS)	–34	39	–112	14
Translation differences	4	–2	-	-
Value December 31 (BS)	**370**	**400**	**786**	**853**

			Share of equity, %		Carrying amount, SEKm	
Company name	Corp. Reg. No.	Domicile	2024	2023	2024	2023
Associated companies						
Florencia S.A.S.	809 910 177	Rennes, France	38.5	38.5	345	377
Other					25	23
Total (BS)					**370**	**400**
Joint ventures						
Biorefinery Östrand AB	559111-7956	Sundsvall, Sweden	50	50	185	158
Scastone AB	559337-8788	Sundbyberg, Sweden	50	50	607	709
Other					–6	–14
Total (BS)					**786**	**853**

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
In 2023, SCA decided to exercise 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. During the year, SCA acquired the company Ortviken BESS AB.

In 2023, Fasikan Vind AB was acquired, a wind power project located on SCA's land in Bräcke Municipality in the county of Jämtland for approximately SEK 280m on a debt-free basis. The acquisition was recognized as an asset acquisition.

Divestments
SCA has not divested any companies in 2024 or 2023.

G Other

G1 Assets held for sale

Assets held for sale

SEKm	2024	2023
Value January 1	**-**	**-**
Reclassifications	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	2024	2023
Guarantees for:		
subsidiaries	25	-
associated companies	5	5
customers and others	28	28
Other contingent liabilities	25	24
Total	**83**	**57**

Pledged assets
SCA had no liabilities for which assets were pledged as collateral, neither on December 31, 2024 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, 2024, SEK 583m (1,427) remained in contractual obligations and SEK 454m 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, 2024, SCA's obligation amounted to SEK 94m (71).

Pledged guarantees
As of December 31, 2024, SCA's pledged guarantees pertaining to forestry machines to subcontractors amounted to SEK 452m (335). 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 2024, SCA sold tall oil to Scastone AB for approximately SEK 521m (512) and services to Östrand Biorefinery AB for approximately SEK 73m (37).

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	2024	2023
Operating income			
Other operating income		408	314
Total income		**408**	**314**
Operating expenses			
Other operating expenses	PC1	–281	–218
Personnel costs	PC2	–109	–95
Depreciation		–104	–99
Total operating expenses		**–494**	**–412**
Operating loss		**–86**	**–98**
Financial items	PC11		
Interest income and similar profit items		908	853
Interest expenses and similar loss items		–675	–622
Total financial items		**233**	**231**
Profit after financial items		**147**	**133**
Appropriations	PC5	1,614	9
Profit before tax		**1,761**	**142**
Taxes	PC6	–353	–13
Profit for the year		**1,408**	**129**

Parent Company statement of comprehensive income (POCI)

SEKm	2024	2023
Profit for the year	1,408	129
Other comprehensive income	-	-
Total comprehensive income	**1,408**	**129**

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, 2024	**2,350**	**1,740**	**7,283**	**9,039**	**20,412**
Dividend, SEK 2.75 per share	-	-	-	–1,931	–1,931
Profit for the year	-	-	-	1,408	1,408
Value December 31, 2024	**2,350**	**1,740**	**7,283**	**8,516**	**19,889**

SEKm	Share capital[1)]	Revaluation reserve	Statutory reserve	Retained earnings and profit for the period	Total equity
Value January 1, 2023	**2,350**	**1,740**	**7,283**	**10,666**	**22,039**
Dividend, SEK 2.50 per share	-	-	-	–1,756	–1,756
Profit for the year	-	-	-	129	129
Value December 31, 2023	**2,350**	**1,740**	**7,283**	**9,039**	**20,412**

[1)] Refer also to Note PC13.

Parent Company balance sheet (PBS)

SEKm	Note	2024	2023
ASSETS			
Non-current assets			
Buildings, land and equipment	PC7	9,382	9,217
Tangible fixed assets		**9,382**	**9,217**
Participations in Group companies	PC8	9,604	9,604
Receivables from subsidiaries		2,438	2,276
Non-current financial assets	PC11	39	39
Other non-current receivables		72	96
Financial fixed assets		**12,153**	**12,015**
Total non-current assets		**21,535**	**21,232**
Current assets			
Receivables from subsidiaries	PC9	14,648	15,685
Current financial assets	PC11	1	4
Current tax assets	PC6	55	123
Other current receivables	PC10	146	499
Cash and bank balances	PC11	1,230	383
Total current assets		**16,080**	**16,694**
Total assets		**37,615**	**37,926**
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		7,108	8,910
Profit for the year		1,408	129
Total non-restricted equity		**8,516**	**9,039**
Total equity		**19,889**	**20,412**
Provisions			
Provisions for pensions	PC4	102	98
Provisions for taxes	PC6	1,675	1,636
Total provisions		**1,777**	**1,734**
Non-current liabilities			
Non-current financial liabilities	PC11	11,117	11,056
Liabilities to subsidiaries		0	27
Other non-current liabilities		-	44
Total non-current liabilities		**11,117**	**11,127**
Current liabilities			
Current financial liabilities	PC11	2,580	1,465
Liabilities to subsidiaries	PC9	1,880	3,065
Trade payables		4	2
Current tax liabilities	PC6	0	-
Other current liabilities	PC12	368	121
Total current liabilities		**4,832**	**4,653**
Total equity, provisions and liabilities		**37,615**	**37,926**

Parent Company cash flow statement (PCF)

SEKm	Note	2024	2023
Operating activities			
Profit after financial items		147	133
of which interest received		*908*	*853*
of which interest paid		*–651*	*–544*
Adjustment for non-cash items (PCF:1)		13	24
Paid tax		–246	–258
Cash flow from operating activities before changes in working capital		**–86**	**–101**
Cash flow from changes in working capital			
Change in operating receivables		1,393	712
Change in operating liabilities		–1,007	599
Cash flow from operating activities		**300**	**1,210**
Investing activities			
Acquisition of fixed assets	PC7	–276	–253
Acquisition of financial assets		–111	–53
Divestment of financial assets		4	0
Divestment of tangible fixed assets		71	106
Cash flow from investing activities		**–312**	**–200**
Financing activities			
Loans raised		2,637	2,460
Amortization of debt		–1,461	–1,662
Dividend		–1,931	–1,756
Group contributions	PC5	1,614	9
Cash flow from financing activities		**859**	**–949**
Cash flow for the period		**847**	**61**
Cash and cash equivalents, January 1		383	322
Cash and cash equivalents, December 31		1,230	383

TABLE PCF:1

Adjustment for non-cash items

SEKm	2024	2023
Depreciation of fixed assets	104	99
Capital gain on divestment of fixed assets	–95	–97
Unrealized exchange rate effects/changes in value of receivables and financial assets	0	0
Change in provisions	4	22
Other items	0	0
Total	**13**	**24**

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	2024	2023
EY		
Audit assignments	–5	–5
Auditing activities other than the audit assignment	–5	–1
Total	**–10**	**–6**

PC2 Personnel and Board costs

Personnel and Board costs

SEKm	2024	2023
Salaries and remuneration	–72	–59
of which Executive Management	*–63*	*–50*
of which Board	*–9*	*–9*
Pension costs[1)]	–10	–14
Other social security costs	–26	–21
Other personnel costs	–1	–1
Total	**–109**	**–95**

[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 2023 was SEK 0m.

PC3 Personnel data

Average number of employees

	2024	2023
Average number of employees	11	11
of whom men	*8*	*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	2024	2023
Provisions in accordance with the Pension Obligations Vesting Act	29	32
Provisions outside the Pension Obligations Vesting Act's regulations	73	66
Total (PBS)	**102**	**98**

Of the total pension liability on the balance sheet date of SEK 102m, SEK 73m (66) 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 3.26% (3.12).

The company's outstanding pension obligations as per the balance sheet on December 31, 2024 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	2024	2023
Group contributions received from subsidiaries	3,093	2,403
Group contributions paid to subsidiaries	–1,479	–2,394
Total (PIS)	**1,614**	**9**

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	2024	2023
Deferred tax (PC6:2)	39	2
Current tax	314	11
Total (PIS)	**353**	**13**

TABLE PC6:1

Recognized and expected tax expense

	2024		2023	
Reconciliation	**SEKm**	**%**	**SEKm**	**%**
Profit before tax (PIS)	1,761		142	
Tax expense/income (PIS)	314	17.8	11	7.7
Expected tax	363	20.6	29	20.6
Difference	**–49**	**–2.8**	**–18**	**–12.9**
The difference is due to:				
Taxes related to prior periods	–2	–0.1	-	-
Other items	–47	–2.7	–18	–12.9
Total	**–49**	**–2.8**	**–18**	**–12.9**

Current tax liability (+), tax asset (–)

SEKm	2024	2023
Value January 1	**–123**	**124**
Current tax expense	314	11
Paid tax	–246	–258
Value December 31 (PBS)	**–55**	**–123**

TABLE PC6:2

Deferred tax expense (+), tax income (–)

SEKm	2024	2023
Changes in temporary differences	39	2
Total	**39**	**2**

Provisions for deferred tax

SEKm	Value January 1	Deferred tax expense	Value December 31
Land and buildings	1,651	39	1,690
Provisions for pensions	–20	–1	–21
Other	5	1	6
Total (PBS)	**1,636**	**39**	**1,675**

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 felling 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	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Accumulated cost	177	177	5,596	5,319	1	1	5,774	5,497
Accumulated depreciation	–145	–139	–1,642	–1,543	–1	–1	–1,788	–1,683
Accumulated write-ups	-	-	5,396	5,403	-	-	5,396	5,403
Residual value according to plan	**32**	**38**	**9,350**	**9,179**	**0**	**0**	**9,382**	**9,217**
Value January 1	**38**	**44**	**9,179**	**9,028**	**-**	**-**	**9,217**	**9,072**
Investments	-	-	276	253	-	-	276	253
Disposals	-	0	–7	–9	-	-	–7	–9
Depreciation for the period	–6	–6	–98	–93	-	-	–104	–99
Value December 31 (PBS)	**32**	**38**	**9,350**	**9,179**	**0**	**0**	**9,382**	**9,217**

[1] Land and land improvements include the carrying amount of SEK 8,245m (8,105) 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	2024	2023
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, 2024

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 of subsidiaries					**9,604**

PC9 Receivables from and liabilities to subsidiaries

Receivables from and liabilities to subsidiaries

SEKm	2024	2023
Current assets		
Interest-bearing receivables	11,235	13,220
Other receivables	3,413	2,465
Total (PBS)	**14,648**	**15,685**
Current liabilities		
Interest-bearing liabilities	275	255
Other liabilities	1,605	2,810
Total (PBS)	**1,880**	**3,065**

PC10 Other current receivables

Other current receivables

SEKm	2024	2023
Prepaid expenses and accrued income (PC10:1)	94	93
Other receivables	52	406
Total (PBS)	**146**	**499**

TABLE PC10:1

Prepaid expenses and accrued income

SEKm	2024	2023
Prepaid financial expenses	91	88
Other items	3	5
Total	**94**	**93**

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	2024	2023
Interest income and similar profit items		
Interest income, subsidiaries	895	844
Interest income, external	13	9
Interest expenses and similar loss items		
Interest expenses, external	–532	–502
Interest expenses, subsidiaries	–118	–94
Other financial expenses[1)]	–25	–26
Total (PIS)	**233**	**231**

[1)] The item includes exchange rate differences amounting to SEK 4m (4) net.

Financial assets

SEKm	2024	2023
Non-current financial assets		
Derivatives	39	39
Total (PBS)	**39**	**39**
Current financial assets		
Derivatives	1	4
Total (PBS)	**1**	**4**

Financial liabilities

SEKm	2024	2023
Non-current financial liabilities		
Non-current interest-bearing liabilities	11,107	11,044
Derivatives	10	12
Total (PBS)	**11,117**	**11,056**
Current financial liabilities		
Current interest-bearing liabilities	2,576	1,461
Derivatives	4	4
Total (PBS)	**2,580**	**1,465**

Interest-bearing liabilities
Non-current interest-bearing liabilities

	Carrying amount		Fair value	
SEKm	2024	2023	2024	2023
Loans with maturities between 1 and 5 years	8,465	9,309	8,381	9,174
Loans with maturities of more than 5 years	2,642	1,735	2,649	1,738
Total (PBS)	**11,107**	**11,044**	**11,030**	**10,912**

Current interest-bearing liabilities

	Carrying amount		Fair value	
SEKm	2024	2023	2024	2023
Loans with maturities <1 year	2,576	1,461	2,577	1,463
Total (PBS)	**2,576**	**1,461**	**2,577**	**1,463**

For further information about borrowing activities during the year, refer to Note E4.

Financial instruments by category
Financial assets measured at amortized cost

SEKm	2024	2023
Assets		
Financial fixed assets		
Receivables from subsidiaries	2,437	2,232
Interest-bearing receivables	73	69
Current assets		
Receivables from subsidiaries	11,235	13,220
Cash and bank balances (PBS)	1,230	383
Total	**14,975**	**15,904**

Financial liabilities measured at amortized cost

SEKm	2024	2023
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	11,107	11,044
Current liabilities		
Interest-bearing liabilities	2,576	1,461
Liabilities to subsidiaries	275	255
Trade payables	4	2
Other current liabilities	44	52
Total	**14,006**	**12,814**

Financial assets measured at fair value in the income statement

SEKm	2024	2023
Derivatives – Non-current financial assets	39	39
Derivatives – Current financial assets	1	4
Derivatives – Other long-term receivables	0	71
Derivatives – Other current receivables	300	421
Total	**340**	**535**

Financial liabilities measured at fair value in the income statement

SEKm	2024	2023
Derivatives – Non-current financial liabilities	10	12
Derivatives – Current financial liabilities	4	4
Derivatives – Other non-current liabilities	0	71
Derivatives – Other current liabilities	300	421
Total	**314**	**508**

PC12 Other current liabilities

Other current liabilities

SEKm	2024	2023
Accrued expenses and prepaid income (PC12:1)	95	80
Other operating liabilities	273	41
Total (PBS)	**368**	**121**

TABLE PC12:1

Accrued expenses and prepaid income

SEKm	2024	2023
Accrued interest expenses	44	52
Accrued social security costs	11	7
Accrued vacation pay liability	3	3
Other liabilities to personnel	22	9
Other items	15	9
Total	**95**	**80**

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	-	-
2024	**Number of shares, December 31, 2024**	**702,342,489**		

SCA's share capital, December 31, 2024

	No. of votes per share	No. of shares	Share capital, SEKm
Class A shares	10	63,700,307	213
Class B shares	1	638,642,182	2,137
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, 734,842 Class A shares were converted to Class B shares in 2024.

PC14 Contingent liabilities, pledged assets and guarantees

Contingent liabilities

SEKm	2024	2023
Guarantees for:		
subsidiaries	1,552	1,342
associated companies	250	-
Other contingent liabilities	2	2
Total	**1,804**	**1,344**

Pledged assets

SEKm	2024	2023
Pledged assets for subsidiaries	0	0
Total	**0**	**0**

Pledged guarantees
As of December 31, 2024, SCA's pledged guarantees pertaining to forestry machines to subcontractors amounted to SEK 452m (335). In SCA's opinion, 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 2024
Disposition of earnings, Parent Company (SEK)

Non-restricted equity in the Parent Company:	
Retained earnings	7,107,517,103
Repayment of previous dividend	133,237
Profit for the period	1,408,387,809
Total	**8,516,038,149**

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	6,409,010,682
Total	**8,516,038,149**

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 April 4, 2025.

SUSTAINABILITY DISCLOSURES

Sustainability – an integral part of SCA's operations and business decisions

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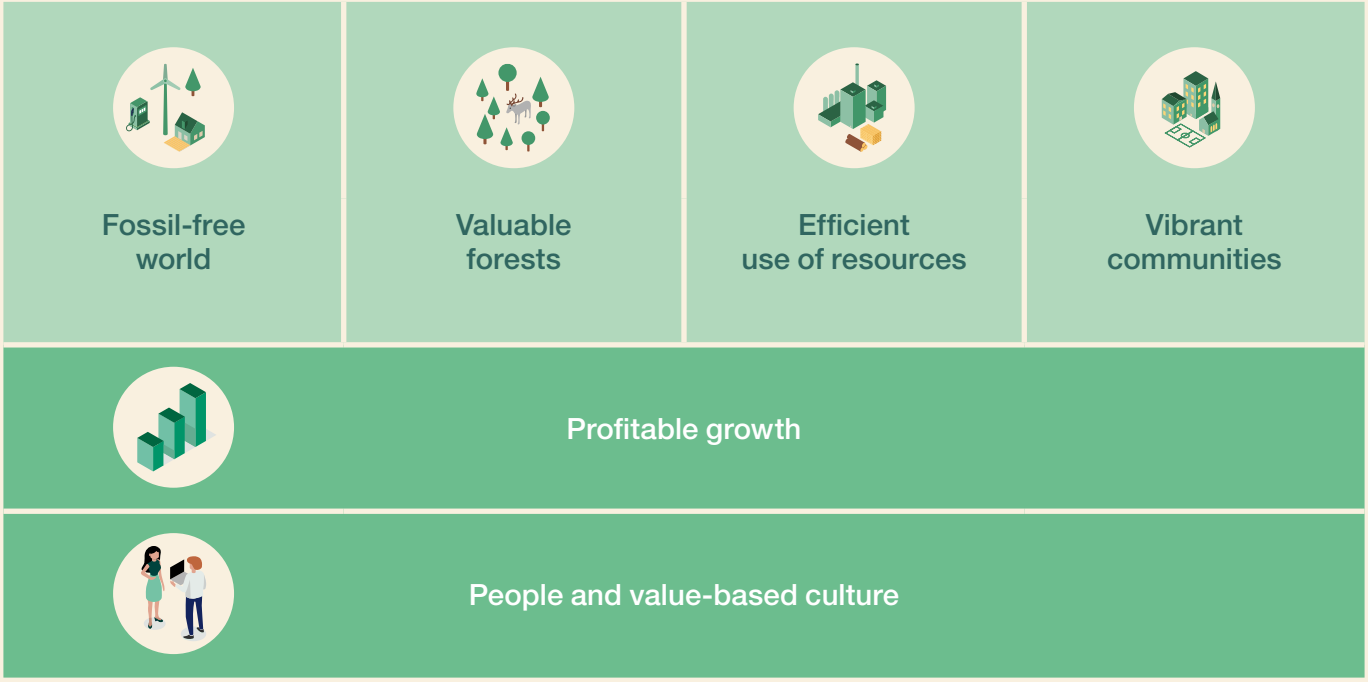
Strategy for sustainable development



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-developed 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 the positive contribution to combating climate change is being strengthened.

SCA's sustainability platform
Sustainability is integrated into the entire business and is part of SCA's business concept. SCA's sustainability platform summarizes the company's priorities and work in the field of sustainability.

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 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 increase 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 to sustainable development by supporting vibrant local communities where we conduct operations and by ensuring a sustainable supply chain.

About the Sustainability Report

SCA publishes a sustainability report every year. The Annual Report for 2024 will be published on March 12, 2025.

Sustainability is integrated into the Group's operations, and the Sustainability Report, in accordance with the Swedish Annual Accounts Act, forms part of SCA's Annual Report for 2024. Areas covered by the legislative requirements are clarified in the Board of Directors' Report, refer to page 66. Reporting in accordance with the EU Taxonomy Regulation constitutes part of the statutory Sustainability Report. The statutory Sustainability Report was submitted to the external auditor together with the Annual Report. Refer to the auditor's report.

SCA's Sustainability Report for 2024 contains, in addition to the statutory Sustainability Report, a voluntary report in accordance with four selected ESRS standards, and the Other sustainability disclosures section that gathers information of interest to the company's stakeholder groups and that is not included in the statutory Sustainability Report or covered by the four selected ESRS standards. The reporting in accordance with selected ESRS standards has been subject to a limited assurance by an external auditor. See the auditor's report.

SCA reports information in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See the Board of Directors' Report on page 75.

The Sustainability Report also contains information about how SCA works with the Ten Principles of the UN Global Compact in the areas of human rights, labor, environment and anti-corruption.

Boundary of the report

The Sustainability Report covers the SCA Group, including wholly owned subsidiaries and subsidiaries in which SCA owns at least 50% of the company, see Note F1. The countries in which the company operates are shown in table B1:1 under Financial notes. If SCA owns 50% or more of a company, 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 the company. Environmental data and resource use is stipulated for the production units, meaning for pulp and paper mills and for sawmills, building materials and pellets production. Reporting of climate benefit and fossil emissions encompasses the entire Group's operations. Social data is reported for the entire Group and pertains to own employees unless otherwise stated.

Governance of sustainability

Governance and follow-up of SCA's sustainability work is described in the Corporate Governance Report in the Sustainability governance section. SCA's sustainability agenda is based on the company's core values and regulated through the Group's policies. The table "Overview of particularly significant policies for SCA's sustainability work" describes a selection of the company's most important sustainability-related policies. The Code of Conduct and Sustainability Policy constitute the foundation for the company's sustainability work. The Board of Directors approves all policies including the Group's Code of Conduct. The Group's President approves the related instructions that complement and clarify the policies. The policies apply for all operations within the SCA Group. In co-owned operations, SCA's representatives are to work for compliance with the policies. The policies are available for the company's employees in the Group's document management system. The Code of Conduct, Sustainability Policy, Supplier Standard and other relevant documents are available publicly via sca.com.

Overview of particularly significant policies for SCA's sustainability work

Policy	Example of scope	Comments
SCA's Code of Conduct	• Corporate culture. • Human rights. • Business conduct and anti-corruption. • Working conditions. • Environment and sustainability. • Information security and integrity. • Whistleblowing function.	SCA's primary steering document that forms the foundation of the company's corporate culture, how people are treated and how SCA does business and conducts its operations in an ethical and responsible manner. Examples of supporting processes include the review of business partners and the whistleblowing function. SCA's Supplier Standard is based on SCA's Code of Conduct.
Sustainability Policy	• Value-based culture and business conduct. • Minimize negative impacts on people, the environment and society. • Climate change mitigation. • Responsible forest management. • Resource efficiency, energy performance and minimizing waste. • Water use. • Sustainable supply chain. • Product safety.	Sustainability is a fundamental and guiding principle for SCA's operations and is to support sustainable development, taking economic, environmental and social aspects into account. Examples of supporting documentation include the instructions for evaluating and managing negative impact and instruction for sourcing of wood raw material.
Health and Safety Policy	• Health and safety culture. • Vision of zero workplace accidents. • Safety organization. • Psychosocial work environment. • Emergency preparedness and business continuity management.	The aim of SCA's health and safety culture is that everybody shall return home healthy and unscathed from work. Systematic health and safety work is conducted in company-wide activities referred to as ZERO. Examples of supporting documentation include the ZERO toolbox (Group-wide health and safety instructions).
HR Policy	• Leadership and employeeship. • Diversity and inclusion. • Training. • Conflicts of interest. • Collaboration with union organizations.	The Group's HR Policy describes how employees and managers at SCA should deal with and take responsibility for various issues. Examples of supporting documentation include the action program to address abusive discrimination, and instructions on alcohol and drugs-related issues.
Risk Management and Internal Control Policy	• Risk management process. • Internal control process.	Risk management forms the basis of SCA's efforts to minimize identified risks using a framework of internal controls.

Strategic priorities and sustainability targets

The areas of strategic priority constitute the six components in SCA's sustainability platform each with a Group target and accompanying supporting targets. The outcome of targets applied for 2024 are presented below.

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 greenhouse gas 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.	Growth in the forest, SCA's facilities, suppliers, transports, customers.
Sustainability according to the Swedish Annual Accounts Act	Human rights Anti-corruption Social conditions and employees	N/A	Environment
UN Sustainable Development Goals[2)]	Goal 3, 5, 8 and 10.	Goal 12.	Goal 7, 9, 12 and 13.
Governance	• SCA's Code of Conduct. • Sustainability Policy. • SCA's Supplier Standard. • SCA's Compliance Council. • Health and Safety Policy. • HR Policy. • Steering committee ZERO. • SCA's Occupational Health and Safety Network.	• Financial control. • Financial Policy. • Business development plans. • Business Review Meetings.	• Sustainability Policy. • SCA's Environmental Network. • Business development plans.
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 of at least 10 million tonnes CO_2**
Supporting sustainability targets Outcome 2024[4)]	• **Target:** All employees receive training in SCA's Code of Conduct. **Outcome:** 97%. • **Target:** Purchasing from suppliers who share SCA's values, >98% of contract suppliers have approved SCA's Supplier Standard. **Outcome:** 98%. • **Target:** Zero workplace accidents resulting in absence. **Outcome:** LTA frequency rate 3.1 accidents resulting in absence, per million hours worked. • **Target:** Develop leaders who can address future needs. **Outcome:** Green rating on leadership index[5)]. • **Target:** Employees who grow and develop. **Outcome:** Green rating on engagement index[5)].	• **Target:** Total shareholder return, TSR. **Outcome:** –5%. Peer group –9%. • **Target:** Stable and increasing dividend. **Outcome:** Dividend for 2023 of SEK 2.75 per share. Proposed dividend for 2024 of SEK 3.00 per share. • **Target:** Financial stability – Investment Grade credit rating. **Outcome:** Investment Grade.	• **Target:** Climate benefit of at least 10 million tonnes of CO_2[6)]. **Outcome:** 12.3 million tonnes of CO_2. • **Target:** 50% reduction of fossil emissions in the value chain, Scope 1, 2 and 3, compared with 2019. **Outcome:** 0.9 million tonnes CO_2eq. Reduction by 17% compared with the base year of 2019.[7)] • **Target:** Implement 11 TWh of installed wind power capacity on SCA land by 2025. **Outcome:** 9.7 TWh.

1) See section Risks and risk management 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 direct or indirect contribution to all of the objectives. This is described in more detail on sca.com. The examples above show how the company contributes to the goals through each component in SCA's sustainability platform.
3) Group targets have 2019 as base year unless otherwise stated.
4) The non-financial multi-year summary presents a selection of key figures.
5) Result from the All Employee Survey 2023. New survey in 2025.
6) Based on the components of the standard ISO 13391/FDIS 13391 parts 1–3 (2025).
7) Changed to reporting gross emissions from 2024. The base year is restated as gross emissions. The target is defined and measured according to Scope 2 location-based emissions.
8) These areas are part of the areas with actions to promote biodiversity presented on page 167.

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 is 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, local communities, customers.	SCA's operations, optimizing the value chain, customers.	Value creation in and from the forest, vibrant local communities.
Environment	Environment	N/A
Goal 3, 6, 12, 13 and 15.	Goal 6, 7, 9, 12 and 14.	Goal 8, 9, 11 and 17.
• Sustainability Policy. • Instructions for the acquisition of wood raw material. • Forest management manual. • Quality manuals for forest operations, road construction and transport activities.	• Sustainability Policy. • SCA's Environmental Network. • ESAVE program.	• Sustainability Policy. • Sustainability platform. • Sponsorship procedures. • Procedures for consultation. • Conservation parks. • Forest Business Accelerator.
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**
• **Target:** 100% CoC certified wood raw material – minimum requirement FSC Controlled Wood Standard. **Outcome:** 100%. • **Target:** 75% of wood raw material from certified forests or harvested with SCA retention methods. **Outcome:** 75%. • **Target:** SCA's own forest management certified under FSC or PEFC. **Outcome:** 100% of SCA-owned forest (forest management). • **Target:** We are to work proactively to contribute to biodiversity by preserving, developing and recreating prioritized habitats for SCA's Species Commitment. **Outcome:** Actions performed for SCA's Species Commitment on 5,922 hectares in 2024[8].	• **Target:** High raw material yield in every process. **Outcome:** Measured locally per production unit. • **Target:** Improve energy efficiency through efficiency enhancements of at least 35 GWh per year based on the company's energy consumption in 2020. (ESAVE program 2020–2025). **Outcome:** In 2024, energy efficiency projecs were carried out corresponding to 37 GWh. • **Target:** Reduce specific process water use by 5% and emissions of particles to water by 10% by 2030 compared with the base year of 2020. **Outcome:** In 2024, process water use increased 9% while emissions of particles decreased by 31% compared with the base year of 2020. • **Target:** 100% recycling/re-use of all non-hazardous waste. **Outcome:** 96%.	• **Target:** Contribute toward vibrant local communities. **Outcome:** 80% of SCA's economic value creation was paid to suppliers and employees mainly in SCA's local area. • **Target:** Supporting the local community in sport, culture and other areas. **Outcome:** Central agreements with 123 local clubs and associations in sports, culture and health. • **Target:** Promoting skills development, the establishment and development of activities that create value in and from the forest. **Outcome:** In-house training for forest machine operators started during the year and will be provided twice annually. During 2024, five companies took part in the Forest Business Accelerator program and received support to develop their companies.

UN's 17 Sustainable Development Goals

WE SUPPORT

UN GLOBAL COMPACT

Climate benefit

Climate impact
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 includes increasing its own forest's uptake of CO_2 from the atmosphere, by developing and increasing the production of renewable products that replace fossil-based products, and by reducing fossil emissions throughout the value chain.

SCA also enables the transition to fossil-free operations for others by providing renewable energy in various forms. This includes surplus heat from the company's plants for delivery as district heating to local municipalities, sales of pellets and unrefined biofuels mainly for heat production, renewable electricity, tall oil that is refined into liquid biofuels and own wind power production and leasing of land for wind power production.

SCA has worked systematically for a long time to reduce its own fossil emissions, for example by transitioning to renewable fuels. The impact of SCA's operations is therefore climate-positive, as the net uptake of CO_2 in the company's forests is approximately six times larger than the fossil emissions throughout the value chain. The climate effect is part of the assessment when investment decisions are taken. The effect is measured using the market price for emission allowances in the EU emission trading system (EU ETS). The company can see further opportunities for positive impact, principally as the company's products facilitate the phasing out of fossil carbon. Innovation and changing consumer behaviors are expected to promote increased demand for forest-based products and new applications are being explored.

Identified climate-related risks for the company are described in the Board of Directors' Report and in Note A1 under Financial notes. Climate change is expected to have the greatest impact on forests and forestry. The impacts of transition risks are difficult to assess since these are largely dependent on the policy decisions that will be made at national and EU level.

Calculation of climate benefit
The company's total climate benefit is calculated using components of the global standard: Wood and wood-based products – Greenhouse gas dynamics (ISO 13391/FDIS 13391 parts 1 to 3, version 2025). The standard calculates the climate contribution from net uptake in the forest, change in carbon stock in the delivered products, emissions avoided due to the company's products, and the fossil emissions in the company's value chain. The standard has been published as a final draft and is expected to be published in its final version during the year.

According to the standard, carbon storage in upstream forests should be included, but can be valued at zero. Upstream forests refers to the forests from which SCA sources raw materials and are not owned by SCA. SCA has analyzed the condition of the forests, in terms of the development of forest stocks, in the regions in Sweden and other countries from which deliveries of wood raw material were made to SCA's industries during the year. The forest stock in these regions has a positive development measured as net growth and thus increasing carbon stocks over time. SCA has chosen not to include the positive contribution to climate benefit from upstream forests, as the company has elected to focus on the climate benefit that the company itself creates and to provide better comparability with previous years' reporting.

Outcome 2024
In 2024, SCA's total climate benefit amounted to 12.3 (12.8) million tCO_2eq. This was a decrease compared with 2023 due to a higher level of harvesting in SCA's own forests and thereby lower net growth, offset by a rise in emissions avoided due to higher product volumes and some changes in product portfolio with a slightly higher displacement potential. Fossil emissions in the value chain, Scopes 1–3, increased 1% compared with 2023, but decreased by 17% compared with the base year of 2019. The increase is a result of a lower reduction obligation and increased product volume. The specific emissions per volume produced are unchanged from 2023.

SCA's climate benefit 2024
The company's climate benefit was calculated using components of the global standard: Wood and wood-based products – Greenhouse gas dynamics (ISO 13391/FDIS 13391 parts 1 to 3 version 2025), which corresponds to the model used to calculate climate benefit for 2023. See the Forest Research Institute of Sweden, report number 1187-2024. In order to facilitate a comparison with outcomes from earlier years, outcomes are also presented according to the model published by SCA in 2019.

	Climate benefit ISO 13391/FDIS 13391		Climate benefit model published in 2019[1]		
Million tCO_2eq	**2024**	**2023**	**2024**	**2023**	**Comment on outcome 2024 (ISO/FDIS 13391)**
Forest carbon	**5.1**	**5.7**	**3.9**	**4.5**	
Net uptake in growing productive forest	3.9	4.5	3.9	4.5	Uptake: 1.375 tCO_2eq/m^3fo in net growth
Net uptake on non-productive forest land	0.4	0.4	N/A	N/A	Uptake: 1.231 tCO_2eq/hectare/year
Net increase in soil carbon	0.8	0.8	N/A	N/A	Net change in soil carbon during the year. Factor 0.36 tCO_2eq/hectare forest land
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.
Wood-based carbon	**0.7**	**0.7**			
Wood products	0.5	0.4	N/A	N/A	Half-life 20 years. Factor 0.25 tCO_2eq/tonne CO_2 in product.
Wood-fiber-based products (pulp and paper)	0.2	0.3	N/A	N/A	Half-life 2 years. Factor for pulp 0.04 and for containerboard 0.14 tCO_2eq/tonne CO_2 in product. Recycling rate 30% and 80%, respectively.
Prevented emissions (potential)	**7.4**	**7.2**	**5.5**	**5.4**	
Wood products	2.7	2.8	2.7	2.7	Factor 1.5 tCO_2eq/tonne CO_2 in product.
Wood-fiber-based products (pulp and paper)	3.7	3.4	2.0	1.9	Factor between 0.9 and 1.6 tCO_2eq/tonne CO_2 in product.
Energy products[2]	1.0	1.0	0.8	0.8	Based on energy amount replaced. Factor 0.8 tCO_2eq/tonne CO_2 in product.
Fossil emissions	**–0.9**	**–0.8**	**–0.9**	**–0.8**	
Fossil emissions in the value chain, Scope 1–3	–0.9	–0.8	–0.9	–0.8	Changed to gross emissions from 2024.
Total climate benefit[3]	**12.3**	**12.8**	**8.5**	**9.1**	

[1] Climate benefit calculated using the model published by SCA in 2019, which is used to report the company's climate benefit between 2018–2022, see sca.com.
[2] Own wind power is included in energy products, which is a deviation from ISO 13391/FDIS 13391-3:2025.
[3] ISO 13391/FDIS 13391 does not specify a summation of the constituent components.

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 2024 includes all six environmental objectives and reporting activities that are Taxonomy-aligned and those that are Taxonomy-eligible.

All of 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 included in the existing version of the EU Taxonomy, meaning no technical screening criteria have been defined for these activities.

Examples of SCA's activities that contribute to mitigate climate change, but do not fall within the scope of the Taxonomy are:
- Production and sales of solid-wood products for construction, renovation and manufacturing of furniture.
- Production and sales of fiber-based packaging material.
- Production and sales of pellets and unprocessed biofuels to generate renewable energy.

The assessment of the company's operations was based on the activities and criteria described in the delegated acts for the EU Taxonomy 2021/2139, 2021/2178, 2022/1214, 2023/3850 and 2023/3851. The economic activities identified as Taxonomy-eligible are forest management, energy activities such as sale of district heating, electricity and tall oil to be further processed into biofuels as well as various transport services and electrification of vehicles.

The boundary to identify Taxonomy-eligible activities follows the company's principles of consolidation, see Note A1. This means no activities linked to joint ventures were included.

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

The precautionary approach was used in work to estimate economic activities, capital and operating expenditure, which meant that in instances when doubts existed about whether an activity met the requirements for contributions to the environmental objectives, these were not included in the calculation.

To assess whether an activity is aligned with the Taxonomy, the technical screening criteria, do no significant harm, DNSH, and minimum social safeguards, were considered. SCA is deemed to comply with the minimum safeguards, see pages 177–180.

In 2024, the company has not identified any activities classified as transitional. One activity, investments in charging stations for electric vehicles, is classified as an enabling activity.

Turnover
Turnover consists of the Group's revenue, see Note B1. Revenue includes net sales and other operating income from external sales of goods and services, that is, after elimination of internal transactions.

The forest is at the core of SCA's operations and SCA's forest management is deemed to meet the technical screening criteria of the Taxonomy, 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 sales 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 turnover.

The activity 1.3 Forest management covers revenue from silvicultural services sold externally, sales of seedlings and external sales of small volumes of wood.

For revenue from activity 4.3 Electricity generation from wind power, the wind farm is owned by SCA and is considered aligned with the technical screening criteria.

Energy activities identified as Taxonomy-eligible comprise the production and sale of tall oil to be processed into liquid biofuel, co-generated electricity and heating sold externally and district heating. All of these are considered aligned.

External sales of maritime transport on own and leased vessels is considered Taxonomy-eligible but does not meet the technical screening criteria.

CapEx
SCA, as a non-financial corporation that applies IFRS standards, has identified CapEx (investments) in the IAS 16, IAS 38, IAS 41 and IFRS 16 categories. For the purpose of assessing the Taxonomy-eligible investments that meet the criteria, calculations were conducted of the investments 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 greenhouse gas emissions, as well as individual measures for building renovation in accordance with what is stated in the delegated acts.

In 2024, Taxonomy-eligible CapEx largely comprises the acquisition of forest land and investments in own wind power. Investments in forest management mainly consist of acquisitions of forest land in the Baltic region and Sweden. Costs also include investments in forest roads, capitalized silviculture and lease contracts linked to forestry machines. Since SCA's forest management is deemed to meet the technical screening criteria, these investments are considered aligned.

Other investment expenditure encompasses increased production of wind power, maintenance of own vessels, production and delivery of district heating as well as the continued expansion of charging infrastructure for electric cars. All except ship maintenance are considered aligned, see comments below under each activity.

In 2024, 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 operating expenditure that meets the criteria, calculations were conducted of the operating expenditure 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 greenhouse gas emissions, as well as individual measures for building renovation in accordance with what is stated in the delegated acts.

Only accounts that contain operating expenditure 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 operating expenditure comprised other direct operating expenditure.

The main operating expenditure classified as aligned comprises silvicultural measures in own forest such as costs for thinning. In addition, there is also equipment maintenance 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.

Silvicultural measures and energy production are deemed to be aligned since this operating expenditure is linked to activities that are considered as aligned with the technical screening criteria. Operating expenditure 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.

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. Fulfilment 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 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 during 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 leak could have on soil and water were it to happen. The activity is considered aligned.

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, environmental permits obtained and plan to manage the future dismantling of the farm, the relevant DNSH criteria are considered to have been met. The activity is considered aligned.

CCM 4.13. Manufacture of biogas and biofuels for use in 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 gives a reduction in greenhouse gas emissions of >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 considered aligned.

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 considered aligned.

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 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 considered aligned.

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 considered aligned.

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 Taxonomy-eligible but is not considered aligned.

CCM 7.4. Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

The company has invested in charging stations for electric vehicles at several of its facilities to enable the electrification of the vehicle fleet. Some of the charging stations are also available to local residents. The activity is considered aligned and is an enabling activity.

Turnover	Year 2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion compliant with taxonomy require-ments (A.1) or covered by taxonomy require-ments (A.2) in 2023	Category enabling activity	Category transitional activity
		SEKM	%	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	382	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
Electricity generation from wind power	CCM 4.3	39	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	521	2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2%		
District heating/cooling distribution	CCM 4.15	135	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	287	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,364**	**6%**	**6%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**6%**		
of which enabling activities		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
of which transitional activities		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	258	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**258**	**1%**	**1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**1%**		
Total (A.1 + A.2)		**1,622**	**7%**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**								**7%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**22,005**	**93%**														**93%**		
Total (A + B)		**23,627**	**100%**														**100%**		

CapEx	Year 2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion compliant with taxonomy require-ments (A.1) or covered by taxonomy require-ments (A.2) in 2023	Category enabling activity	Category transitional activity
		SEKM	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	846	36%	**Y**	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	27%		
Electricity generation from wind power	CCM 4.3	434	18%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	8%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3%		
District heating/cooling distribution	CCM 4.15	26	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	3	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%		
Transport by motorcycle, passenger car and light commercial vehicle	CCM 6.5	10	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	2	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1,321**	**56%**	**56%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**39%**		
of which enabling activities		2	<1%	<1%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	<1%	E	
of which transitional activities		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	91	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**91**	**4%**	**4%**	**0%**	**0%**	**0%**	**0%**	**0%**								**3%**		
Total (A.1 + A.2)		**1,412**	**60%**	**60%**	**0%**	**0%**	**0%**	**0%**	**0%**								**42%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**946**	**40%**														**58%**		
Total (A + B)		**2,358**	**100%**														**100%**		

Breakdown of reported CapEx included in the taxonomy reporting

Investment activities[1] SEKm	**2024**	**Comments**
Corporate acquisitions	–117	
Divestments	0	
Current net investments in intangible and tangible fixed assets	–1,482	Included in taxonomy reporting
Strategic capital expenditures in intangible and tangible fixed assets	–689	Included in taxonomy reporting
Investments in intangible and tangible fixed assets (CF:2)	**–2,171**	
Sale of tangible fixed assets (CF:2)	560	
Acquisition and divestment of financial assets	24	
Repayment of loans from external parties	0	
Cash flow from investing activities	**–1,704**	
Leases (new, remeasured and terminated contracts, Note B1)	–187	Included in taxonomy reporting
Basis for taxonomy reporting (CapEx)	**–2,358**	

[1] See consolidated cash flow statement, page 92.

OpEx	Year 2024			Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion compliant with taxonomy require-ments (A.1) or covered by taxonomy require-ments (A.2) in 2023	Category enabling activity	Category transitional activity
		SEKM	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	494	27%	**Y**	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	22%		
Electricity generation from wind power	CCM 4.3	21	1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	4	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	<1%		
District heating/cooling distribution	CCM 4.15	11	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	12	<1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**542**	**29%**	**29%**	**0%**	**0%**	**0%**	**0%**	**0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**24%**		
of which enabling activities		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
of which transitional activities		0	0%							Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Sea and coastal freight water transport, vessels for port operations and auxiliary activities	CCM 6.10	41	2%	EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL								2%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**41**	**2%**	**2%**	**0%**	**0%**	**0%**	**0%**	**0%**								**2%**		
Total (A.1 + A.2)		**583**	**32%**	**32%**	**0%**	**0%**	**0%**	**0%**	**0%**								**26%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**1,259**	**68%**														**74%**		
Total (A + B)		**1,842**	**100%**														**100%**		

Taxonomy-eligible proportion by environmental objective

The table specifies the proportion of the company's economic activities that contribute to any of the EU's six environmental objectives. For objectives, both the share covered by and the share fulfilling the requirements of the EU taxonomy, Directive 2021/2139 or 2023/2486 are indicated. If an activity contributes to several objectives, the entire amount was counted for each objective.

	Proportion of turnover/ Total turnover		Proportion of CapEx/ Total CapEx		Proportion of OpEx/ Total OpEx	
Environmental objectives, EU	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**	**Taxonomy-aligned per objective**	**Taxonomy-eligible per objective**
1. CCM	6%	7%	56%	60%	29%	32%
2. CCA	0%	0%	0%	0%	0%	0%
3. WTR	0%	0%	0%	0%	0%	0%
4. CE	0%	0%	0%	0%	0%	0%
5. PPC	0%	0%	0%	0%	0%	0%
6. BIO	0%	0%	36%	36%	27%	27%

CCM Climate change mitigation
CCA Climate change adaptation
WTR Water and marine resources
CE Circular economy
PPC Pollution prevention and control
BIO Biodiversity and ecosystems

Sustainability reporting in accordance with selected ESRS standards

General information

Introduction

SCA is subject to the new sustainability reporting requirements under the Swedish Annual Accounts Act, Chapter 6, Sections 12–12f, as of the 2025 fiscal year. For fiscal year 2024, SCA has chosen to voluntarily report according to four selected ESRS standards and in fiscal year 2025 to report according to the legal requirements in force at that time. Reporting in accordance with the EU Taxonomy Regulation constitutes part of the statutory Sustainability Report and is presented together with the statutory Sustainability Report for 2024 and not in this ESRS report.

The four ESRS standards reported in 2024 are: Climate change (E1), Biodiversity and ecosystems (E4), Own workforce (S1) and Business conduct (G1). The selection of the four ESRS standards for reporting was based on materiality assessments from previous years. For these four standards, the company has commenced a double materiality assessment as a basis for the selection of reported disclosures in this year's Sustainability Report. The company has also commenced a double materiality assessment for all ESRS standards in preparation for reporting in the years ahead.

Since reporting was performed for selected standards, this year's reporting does not fully cover the general requirements of ESRS 2. The scope of reporting is set out in the List of disclosures presented, refer to page 157. The reporting also includes references to other parts of the Annual Report such as the Board of Directors' Report and financial notes to avoid repetition. Own operations are defined by following the same consolidation principles as for the financial statements, see note A1. The voluntary reporting in accordance with selected ESRS standards has been subject to a limited assurance by an external auditor. See the auditor's report.

SCA's value chain

SCA's value chain begins in the forest and ends 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. The value chain creates jobs both within and outside the company's own operations. The company's operations and value chain impact local communities in various ways.

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

Renewable raw material from the forest is the predominant material flow. About 60% of the wood raw material originates from the company's own forests, including woodchips from SCA sawmills, and the remaining volume is sourced externally. About 95% of the wood raw material is from northern Sweden. In addition to the wood raw material, the company purchases recovered fiber and input chemicals.

The upstream value chain includes raw material flows from private forest owners and other forest companies as well as supply chains for recovered fiber, input goods, the purchase of energy products and externally sourced services and relevant business partners.

Recovered fiber, 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.

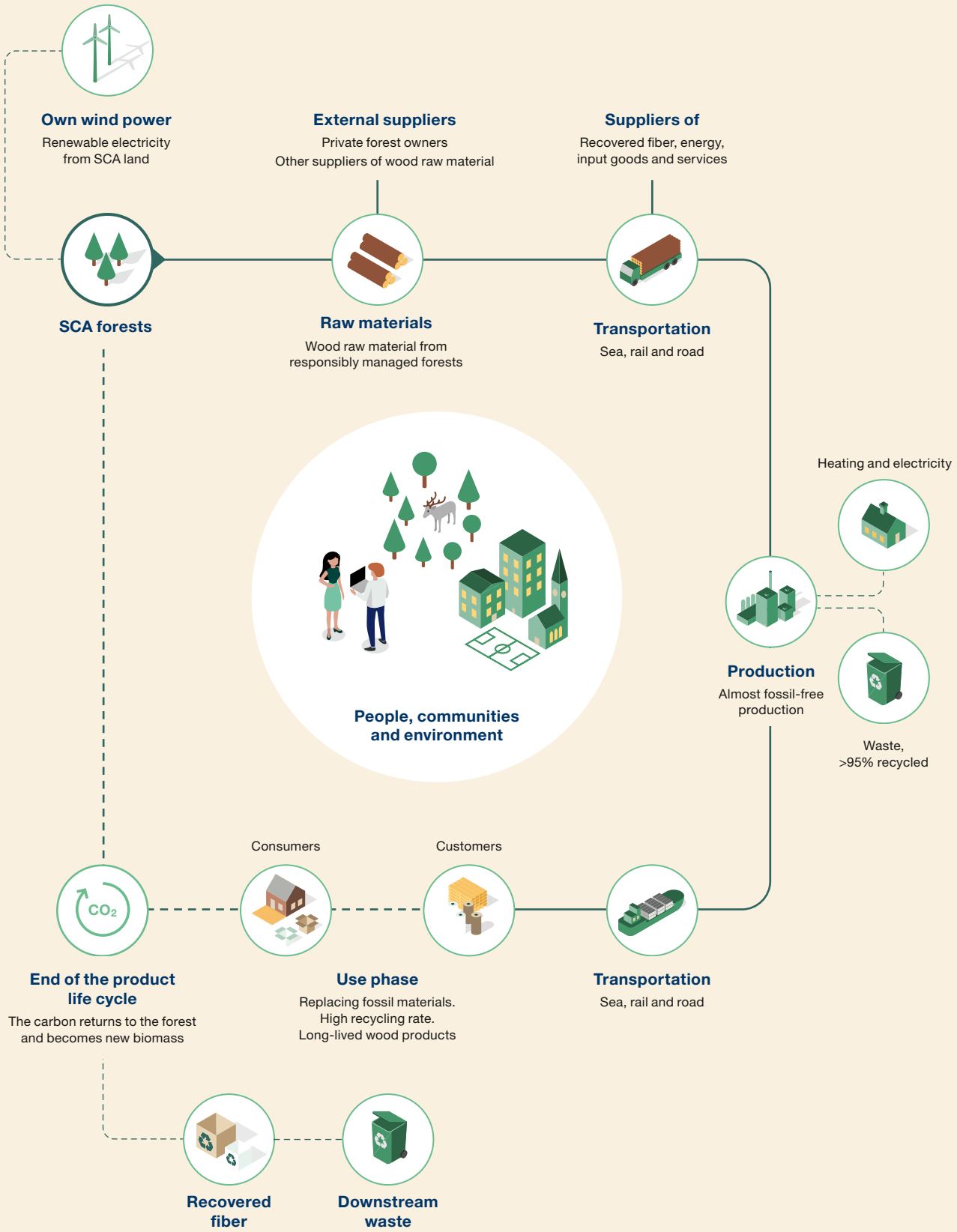
The value chain encompasses many transport operations – of materials destined for industrial sites and of finished goods out into the world. Transportation is performed by the company's own logistics operations together with purchased transport services.

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 CO_2 to the atmosphere and can be absorbed by new trees and converted into biomass.

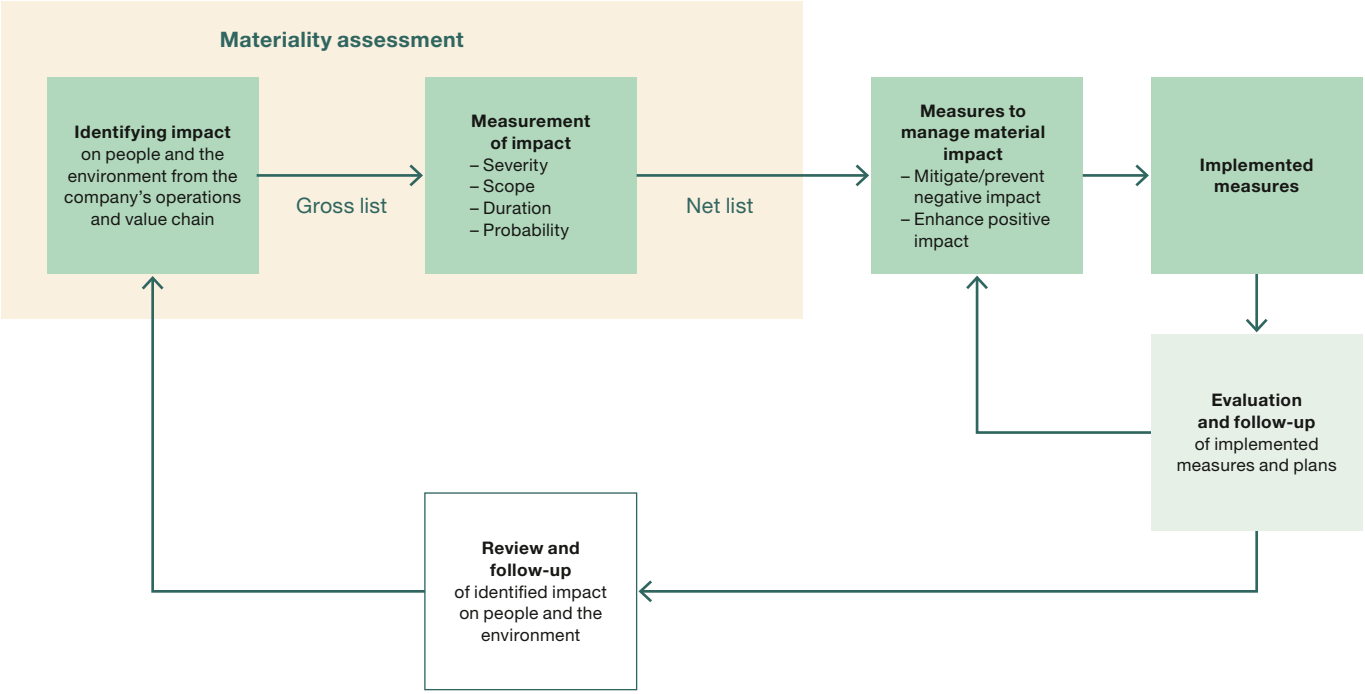
Most sales are business-to-business and the company's products are usually included as part of a final product. Solid-wood products are sold for various structural components, cladding, moldings, furniture and flooring. Pulp is sold for further processing into tissue, packaging and graphic paper. Containerboard 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, biofuels or tall oil for further processing into biofuels. Surplus heat from the company's industries is sold as district heating to local communities.

Overview of SCA's value chain

The main material flow in SCA's value chain is mostly circular and based on wood raw material from the forest. Different degrees of impact, both negative and positive, on people and the environment are present in the value chain.



Process to identify and manage the negative and positive impact from the company's operations and value chain



The company's operations have both positive and negative impact on people and the environment. The company is working to further develop the process to identify and manage the impact that exists. This process addresses both positive and negative impacts as well as actual and potential impacts that may arise throughout the company's value chain.

Identifying and measuring the impact
To identify and assess the impact from the company's operations, several different aspects are considered jointly, including external stakeholders' views, internal experts on various issues, regulatory requirements, incidents and audits. The severity and scope of the impact is evaluated and this results in a net list of the company's main impact areas.

Actions and follow-up
Plans to address negative impacts or enhance positive impacts are identified and managed at the local level or within Group-wide functions. The follow-up adheres to the company's other processes for monitoring and internal control. The development is communicated through the company's existing channels.

Review and update
A review is conducted every year to follow up the development of identified impacts and is updated with any new identified impacts based on new information and knowledge, as well as changes in the value chain.

Stakeholder dialogues

Stakeholder dialogues
SCA engages in continuous dialogue with various stakeholder groups in order to increase the company's understanding of the issues that are important for each stakeholder group, increase knowledge about stakeholders' views on the company's operations and provide valuable information when the Group evaluates its sustainability work and prioritizes initiatives in the area of sustainability. Stakeholder dialogues are an important part of the company's materiality assessment to identify and evaluate the negative and positive impacts of operations and the company's actions to mitigate negative or enhance positive impacts.

SCA identifies its primary stakeholder groups based on their interests and in relation to the Group's business. This takes various forms depending on the stakeholder group and the part of the business affected. The "Key issues by stakeholder group" table offers an overview of the main stakeholder groups, the key issues by stakeholder group and a summary of the year's dialogues. Overall, the most important matters for stakeholders in 2024 were the EU Deforestation Regulation, the role of forest in combating climate change, the conservation of forest biodiversity and the EU Corporate Sustainability Reporting Directive (CSRD).

The business areas maintain a close dialogue with their customers and follow up customer satisfaction through surveys, face-to-face meetings and third-party assessments. SCA regularly meets investors, analysts and financial players. SCA maintains a 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 groups and individuals in matters that have a major impact on society in general and local communities in particular, and holds regular meetings with individuals living near SCA's operations. SCA also maintains a 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.

External initiatives and membership in organizations and certifications
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.

SCA supports the 2030 Agenda and the UN's 17 Sustainable Development Goals. The company works with goals as a whole and makes a direct or indirect contribution to all of these objectives. These goals form an important basis for the company's materiality assessment.

SCA is committed to active and responsible forest management, and supports different certification systems for forests and forest raw materials. Furthermore, SCA works to raise awareness of how active forest management and increasing the use of forest products can help to combat climate change. SCA is actively working to protect the forest's biodiversity. This is achieved through the company's own initiatives and through cooperation in various research programs and initiatives, such as the Business@Biodiversity Sweden network**.** SCA production facilities and forestry operations are certified in accordance with relevant standards such as ISO 9001, ISO 14001, ISO 45001 and ISO 50001, according to information on sca.com.

SCA wants to support the transition to a fossil-free society and is participating in the Fossil Free Sweden initiative. The company uses established platforms to evaluate its own and its suppliers' performance in the sustainability area, such as EcoVadis.

Materiality assessment (double materiality assessment)

In previous years, SCA has performed materiality assessments that formed the basis for the company's strategic direction and priorities within the framework of the Group's sustainability work. The materiality assessment included a variety of sources such as stakeholder dialogues, targeted surveys, market trends and the company's strategic priorities. The company's contributions and challenges linked to the UN's 17 Sustainable Development Goals were also included in the assessment. The assessment was previously carried out in accordance with the Global Reporting Initiative (GRI) and also formed the basis of previous sustainability reports.

The selection of ESRS standards in the voluntary reporting for 2024 was based on the outcome of the materiality assessment according to GRI for 2023, see SCA's Annual Report for 2023.

The following four standards were chosen:
- Climate change (E1)
- Biodiversity and ecosystems (E4)
- Own workforce (S1)
- Business conduct (G1)

An initial general double materiality assessment was carried out for these four areas and this forms the basis for the scope of this year's reporting, see the ESRS index table. The general double materiality assessment in line with ESRS has been initiated to align with the new sustainability reporting requirements. This assessment will be developed and refined during 2025.

Double materiality assessment process
The company uses the following process for its double materiality assessment:
- The materiality assessment is updated annually, where new knowledge and insights are included. At present, access to reliable data or knowledge may limit the ability to assess potential impacts.
- Several sources were taken into account to obtain an objective assessment of the company's impacts, including scientific publications, stakeholder dialogues and the company's own surveys.
- The double materiality assessment begins by compiling a gross list of identified actual and potential impacts on people and the environment from the company's operations and value chain. The ESRS topic areas were used as a starting point.
- Each identified impact is assessed in terms of severity, scope and duration to determine whether or not it has a material impact. For potential impacts, the likelihood of its occurrence is also assessed. All parameters have a scale from 0 (no impact) to 5 (very large or extensive impact).
- The assessment also includes the financial impact on the company based on the different topic areas and on possible dependence on different resources such as natural resources or human capital.
- This provides a single list of the company's material impacts by topic, which is used in preparing policies, targets, action plans and to define the scope of sustainability reporting.

ESRS Index – Overview of scope of reporting

The table presents the assessments that form the basis for reporting under the selected ESRS standards for 2024. Comments are provided at the sub-topic level and cover only the four ESRS standards selected for voluntary reporting for 2024. More detailed information is provided under each standard.

ESRS (topic)	Sub-topic	Comment on topic's materiality	Included in report
E1. Climate change	**Climate change adaptation**	At present, the company has not identified costly actions, but this assessment may change. An assessment of potential impacts in the value chain could not be fully estimated due to a lack of available information.	No
	Climate change mitigation	The company is deemed to have both positive and negative material impact. The company is also dependent on access to wood raw material that could be affected by climate change or by political decisions to mitigate climate change.	Yes
	Energy	The company is a major energy consumer and a major producer of renewable energy.	Yes
E4. Biodiversity and ecosystems	**Direct impact drivers of biodiversity loss**	The company's material impact is considered to be mainly due to active forest management, which can have a negative impact on biodiversity in the areas concerned, both in the company's own forest and in areas from which the company sources raw materials.	Yes
	Impacts on the state of species	The company has limited impact on the size of the populations. Active forest management is considered to have a material impact on forest-dwelling species. The company contributes positively by actively working to secure access to habitats for species that may be negatively impacted by forest management.	Yes
	Impacts on the extent and condition of ecosystems	According to the current definitions, the company is not considered to have a material impact on land degradation, desertification or soil sealing through its activities. Land degradation refers to the land's ability to provide ecosystem services.	No
	Impacts and dependencies on ecosystem services	The company's material impact is considered to be mainly the result of active forest management. The company is dependent on access to wood raw material, balanced ecosystems and the ability to manage its own forests.	Yes
S1. Own workforce	**Working conditions**	The company is dependent on access to the right skills and to be attractive as a company and industry. The company is considered to have material impact on occupational health and safety.	Yes
	Equal treatment and opportunities for all	The company is dependent on access to the right skills and to be attractive as a company and industry. The company adapts the work environment as far as possible to the needs of all employees and is not considered to have a material impact on employment opportunities for persons with disabilities.	Yes
	Other work-related rights	The company is dependent on access to the right skills and to be attractive as a company and industry.	Yes
G1. Business conduct	**Corporate culture Protection of whistle-blowers**	The company relies on a sound and values-driven corporate culture to create a safe and healthy work environment, good productivity, innovation and ethical business conduct.	Yes
	Animal welfare	Not considered as material impact.	No
	Political engagement	The company is dependent on political decisions taken that directly or indirectly affect its operations.	Yes
	Management of relationships with suppliers including payment practices	The company relies on ethical and sustainable business relationships with its suppliers of goods and services to conduct business.	Yes
	Corruption and bribery	The company relies on good business conduct to be a credible and attractive company for its investors, business partners, employees and other stakeholders.	Yes

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Key topics by stakeholder group

Stakeholder groups	How we conduct dialogues	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, surveys and customer visits. • 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.
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, March 22, 2024. • 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. • Continued development of ecolabels and standards for calculating climate benefit from forests and forest-based products within ISO (ISO 13391/FDIS 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. • 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.

Environmental information

ESRS E1 – Climate change

Governance

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 increased climate benefit, measured in millions of tonnes of CO_2. 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_2, the contribution of its products to the climate transition and fossil CO_2 emissions in the value chain. The target of halving fossil fuel emissions by 2030 compared with the base year 2019, which is the same as the GHG emission reduction target in 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 Note C3 in the financial notes.

Strategy

E1-1 – Transition plan for climate change mitigation
The company has a very large positive impact on climate change mitigation as its forests absorb large amounts of carbon dioxide from the atmosphere and its products can help to phase out fossil carbon. The products also store biogenic carbon throughout their lifecycle. The uptake of CO_2 in the company's forests alone is several times greater than the total fossil emissions from the value chain. The company aims to deliver an annual climate benefit of at least 10 million tonnes of CO_2.

One interim target is to reduce fossil emissions in the value chain by 50% by 2030 compared with 2019. The objective of the interim target for emission reductions was developed by comparing the company's ambition with reduction pathways corresponding to the limit in global warming to a maximum of 1.5°C that was published on the Science Based Targets website when the target was formulated in 2020. This comparison was performed to assess whether the target was aligned with the Paris Agreement. The company has chosen not to report its targets to Science Based Targets. The company distributed its hygiene business in 2017, and when the target for reduced emissions was formulated, 2019 was considered a relevant base year for the independent forest company SCA.

Fossil emissions from the value chain have a negative impact and the company is endeavoring in various ways to reduce emissions and thereby the negative impact. The single largest source of emissions is from transport. To reduce these fossil fuel emissions, the company is dependent on the development of new technologies and access to competitive fuels. The company is collaborating with other stakeholders to evaluate electric trucks for timber transportation. In 2024, a second electric truck was put into operation.

In addition to reducing emissions from transportation, the company is striving to eliminate the remaining use of residual fossil oil and to reduce emissions from the manufacture of input goods. In line with the strategy, the company and its business partners have invested in the production of liquid biofuels and renewable electricity in the form of wind power. The company is working on a review and evaluation of the actions to reduce residual fossil fuel emissions. The company currently has no public transition plan. This ongoing review will form the basis of the company's transition plan and is expected to be completed in 2025.

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.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
The company has conducted an analysis of climate-related risks and opportunities. 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 in the short and long term, as well as access to raw materials and the cost of raw materials. 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.

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 being a material risk.

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.

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.

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 Risks and risk management 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 political decisions, which are also difficult to predict and evaluate, refer also to the risk section of the Board of Directors' Report.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities
SCA has used 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, where the 1.5°C target is achieved in the latter scenario. Details

and assumptions for the scenarios used and conclusions are described in the Risks and risk management section in the Board of Directors' Report. For SCA's operations, the main climate-related risks have been identified for the forest and the conditions for forest operations, refer to the Board of Directors' Report for more details.

The risks have been analyzed and assessed on the basis of three different time horizons, with the short term covering 1–2 years, the medium term 2–5 years and the long term 5–100 years. For the analysis, the company has drawn on various sources, including literature, consultancy services and internal experts. Assessing longer-term risks is complex as there are many uncertainties about how the weather and climate will develop and a high degree of dependence on the political decisions that will be taken.

The scenario analysis was carried out in 2022 and subsequently reviewed and updated based on new information. The analysis was also used to identify opportunities for the company.

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 fuel 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 the General information section.

The policy is adopted by the Board, 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 fuel 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 the 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. Fossil greenhouse gas emissions are expressed in carbon dioxide equivalents (CO_2eq). 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.

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. 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.

Reduction in fossil emissions

Through systematic efforts, investments, efficiency improvements and a transition to 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 tonnes of CO_2 per year. It is the first electrified timber truck in the world to have this equipment and is now being assessed in regular operation to collect raw material from the forest. The TREE project will help to ensure that 50% of new trucks purchased by the forestry sector are electric by 2030.

Another example is investments in biofuel-fired lime kilns, and all three of the company's kraft pulp mills have now replaced their old oil-fired kilns. The company is continuing to replace its remaining fossil fuels. In most cases, this work requires investments.

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 many years, SCA has pursued the ESAVE (Energy Savings and Efficiency) program, which extends over five years and a new target ambition is set for a 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 is established in the Group and comprises energy assessments, 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.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation
SCA aims to deliver an annual climate benefit of at least 10 million tonnes of CO_2. Climate benefit includes net uptake of carbon dioxide in the forest, storage of biogenic carbon in the products during their lifecycle, potential for avoided emissions as the company's products can replace fossil materials, and fossil emissions in the 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. The target is followed up at various levels in the company, including the Board of Directors, Executive Management and SCA's Sustainability Council. Reporting the interim target forms part of the company's Sustainability Report, which was subject to a limited assurance by an external auditor.

Fossil emissions from the company's value chain amounted to 0.9 (0.9) million tCO_2eq in 2024, measured as gross emissions. This represents a minor increase compared with the year-earlier period, but a decrease of 17% compared with the base year of 2019. Scope 1 includes emissions from SCA's own vessels. The increase, measured as absolute emissions, is largely due to increased production volume as a result of investments made and lower reduction obligations that impact emissions from transportation in Sweden. Measured as specific emissions per tonne produced, emissions are slightly lower than in 2023. Some 36% (37) of fossil emissions in the value chain are from own operations and from purchased energy while approximately 64% (63) are from sources outside the company's facilities.

Projects implemented in 2024 within the framework of the company's ESAVE activities have achieved the target and resulted in 37 GWh of annual energy savings. Refer to section E1-3. Approximately 20 GWh of surplus heat was utilized from three ventilation projects.

The company has not identified the need for major or costly actions in its own operations to adapt to a changing climate and has therefore not formulated an explicit goal for climate change adaptation.

E1-5 – Energy consumption and mix
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 deemed to fall into the "High climate impact sectors". The following sectors have been identified: forestry, wood products manufacturing, pulp and paper, energy production and logistics.

For some time now, SCA has worked in a structured manner to replace fossil fuels with renewables. Fuel supply to the industrial facilities is today almost fossil-free at 96% fossil-free. 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 biofuels from our own operations, such as bark, wood pellets, wood substances in lye 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 bioliquid. The joint-owned biorefinery in Gothenburg began operating at the end of 2023.

Total energy consumption[1)2)]

MWh	2024	2023
Fuels and purchased energy (fossil sources)		
Coal and coal products	0	0
Crude oil and petroleum products (including own vessels)	830,770	874,978
Natural gas	0	0
Other fossil sources	24,770	12,245
Purchased electricity, heat, steam, and cooling	211,461	118,650
Total use of fossil energy	**1,067,001**	**1,005,872**
Share from fossil sources in total energy (%)	9%	9%
Energy from nuclear sources		
Total use of nuclear sources	**449,188**	**761,596**
Share of consumption from nuclear sources in total energy consumption (%)	4%	6%
Fuels and purchased energy (renewable sources)		
Fuels from renewable sources	9,426,819	9,583,847
Purchased electricity, heat, steam, and cooling	744,888	294,014
Self-generated non-fuel renewable energy	0	0
Total use of renewable energy	**10,171,707**	**9,877,860**
Share from renewable sources in total energy (%)	87%	85%
Total energy consumption	**11,687,896**	**11,645,329**
Energy sold[3)]	2,743,500	2,633,200
Energy sold in relation to total energy consumption	23%	23%

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) Includes surplus electricity from co-generation, electricity from own wind power, pellets, unprocessed biofuels, tall oil, district heating and share of sold cargo space.

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 23,627m (21,395) in 2024, resulting in an energy intensity of 495 MWh per SEKm (544).

E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

The Group's fossil-fuel emissions in the value chain from forest operations to the customers' gate. The objective for emission reductions applies to Scope 1, 2 and 3 jointly, and is not broken down by scope. Reporting has been changed to gross reporting since the 2024 Annual Report. Previously, net reporting was applied with emissions allocated to energy streams sold. Outcomes for the base year of 2019 and for 2023 have been restated as gross figures in reporting.

	Retrospectively				Milestones and target years	
GHG emissions, tCO_2eq	Base year 2019	Outcome 2023	Outcome 2024	2024/ 2023, %	2030	Annual target % /Base year
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions	312,500	287,100	279,200	–3%		
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	32%	54%	47%			
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions	58,300	28,900	26,700	–8%		
Gross market-based Scope 2 GHG emissions	111,500	62,700	104,900[1]	67%		
Significant Scope 3 GHG emissions						
Total Gross indirect (Scope 3) GHG emissions	673,500	537,300	557,100	4%		
1 Purchased goods and services	148,900	157,900	154,000	–2%		
2 Capital goods[2]	N/A	N/A	N/A			
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	68,800	57,200	55,100	–4%		
4 Upstream transportation and distribution	448,600	318,700	344,100	8%		
5 Waste generated in operations	3,100	2,800	3,200	14%		
6 Business travel	4,100	700	700	0%		
7 Employee commuting[2]	N/A	N/A	N/A			
8 Upstream leased assets[3]	N/A	N/A	N/A			
9 Downstream transportation[2]	N/A	N/A	N/A			
10 Processing of sold products[4]	N/A	N/A	N/A			
11 Use of sold products[4]	N/A	N/A	N/A			
12 End-of-life treatment of sold products[4]	N/A	N/A	N/A			
13 Downstream leased assets[3]	N/A	N/A	N/A			
14 Franchises[3]	N/A	N/A	N/A			
15 Investments[4]	N/A	N/A	N/A			
Total GHG emissions						
Total GHG emissions (location-based)	1,044,300	853,300	863,000	1%	–50%	–5%
Total GHG emissions (market-based)	1,097,500	887,100	941,200	6%		

[1] The increase is due to a change in the energy mix in the Swedish electricity grid, which affects the emission factor for market-based emissions.
[2] Category not considered relevant since emissions are <1% of total emissions.
[3] Not applicable to SCA's operations.
[4] Emissions in this category are considered to be outside the company's control and have been estimated as low.

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 company's revenue, see Note B1 in the financial statements, amounted to SEK 23,627m (21,395) in 2024, resulting in an GHG intensity of 37 tCO_2eq per SEKm (40) measured as location-based and 40 tCO_2eq per SEKm (41) 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 2023, Energiföretagen and the Swedish Environmental Protection Agency 2023 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 applies to direct emissions from operations, Scope 2 concerns 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.

Method for reporting Scope 1 emissions
Inputs are based on consumption data from internal and external sources, which are converted into million tCO_2eq. Scope 1 covers direct greenhouse gas emissions from stationary combustion, machinery used in our 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.

To calculate emissions, emission factors from various publicly available sources have been used, such as the Swedish Environmental Protection Agency, Energiföretagen Sverige, the Network for Transport Measures (NTM), and the Swedish Energy Agency. The use of these sources provides transparency and access to regularly updated data.

Biogenic emissions of CO_2 from stationary combustion amount to approximately 3,499,000 tCO_2eq and biogenic emissions from transport to about 1 000 tCO_2eq. 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
SCA reports the following Scope 3 categories: 1, 3, 4, 5 and 6. SCA has conducted Scope 3 screening to identify key categories and activities for the company's impacts and reporting. A 1% threshold was used to determine relevance, meaning that any category or activity estimated to contribute more than 1% is considered material, while those contributing less are considered not material and excluded. The following categories were excluded based on this screening: 2 Capital goods, 7 Employee commuting, and 9 Downstream transportation and distribution.

Emissions for the categories 10 Processing of sold products, 11 Use of sold products, 12 End-of-life treatment of sold products, and 15 Investments are considered to be outside the company´s control and have been estimated as low.

The categories that are not relevant to SCA's operations are 8 Upstream leased assets, 13 Downstream leased assets and 14 Franchises.

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, 3% has been calculated using primary data from suppliers.

Category 3 boundaries:
3.1 Includes purchased chemicals, packaging materials, sawn/planed wood products, peat, fertilizers and hired machinery services. Consumption data is collected from internal systems or provided by external parties. 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 9%.

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 tCO_2eq. 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. Inputs are based on actual transport work (goods weight and transport distance) from internal systems and external sources, which are converted into tCO_2eq. 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. Inputs are based on the amount of waste generated from internal systems and external sources, which are converted into tCO_2eq. 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_2eq per mode of travel. Emissions from rental cars are obtained from rental car companies as kg CO_2eq or as kilometers driven. Kilometers driven are converted to CO_2eq using emission factors from published sources. Data for taxi journeys is obtained from the company's accounting system and converted to kg CO_2eq using emission factors from published sources. The percentage of emissions calculated using primary data from suppliers is greater than 98%.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits
The net uptake of greenhouse gases in the form of CO_2 in the company's forests is several times greater than emissions of fossil greenhouse gases measured as CO_2e in the entire value chain. In 2024, the net uptake in the company's forests amounted to 5.1 (5.7) million tonnes of CO_2. The uptake has not been used to offset greenhouse gas emissions or sold to external parties during the year or in previous years.

The net uptake from growing forest is calculated by reducing the gross growth of the company's forests by natural losses and harvesting during the year. The net growth obtained is then multiplied by a factor of 1.375 tonnes of CO_2 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. 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. The calculation follows the "final draft" of the ISO 13391/FDIS 13391-2:2025 standard.

The company does not participate in any external CO_2 capture and/or storage projects. The company is not 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.

E1-8 – Internal carbon pricing
SCA applies 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).

SCA does not use internal pricing for existing emissions. This means that 0% of the company's emissions are covered.

Entity-specific disclosures

No entity-specific disclosures were identified for 2024.

ESRS E4 – Biodiversity and ecosystems

Strategy

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. The company has built an integrated value chain 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 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. Forestry has evolved over time to preserve biodiversity and other forest values.

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 approximately 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 considered low in northern Sweden, on which the company primarily depends. 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 increased growth. However, storms and longer periods of drought may have a negative effect on growth.

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 wood 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, see also E4-4.

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 such as describes how the land is to be managed and used, see description of the process for assessment of consideration category and measures to preserve biodiversity in the company's forests.

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, and basic retention is applied to other productive forest land so-called general consideration in connection with forestry measures.

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

The company's impact materiality is considered to be mainly the result of active forest management in the company's own forest and in the value chain from forests from which it purchases wood raw material. The company has a number of mills in northern Sweden. Biodiversity and ecosystems in the vicinity of mills may be affected by emissions to water, air or soil. The assessment is that the impact is localized in the vicinity of each mill. Impacts from pollution will be addressed under ESRS E2 Pollution in coming years. All plants have environmental permits that address any potential impact on biodiversity. Impacts on biodiversity or ecosystems may also be present in the value chain, for example in the production of chemical additives. These will be assessed together with the company's suppliers. Reporting for 2024 focuses on impacts linked to forest operations.

Direct impact drivers of biodiversity loss – The company's significant impacts on biodiversity are considered to be related to active forest management in the company's own forest and in forests where purchased raw material is harvested. 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. Active forest management can also lead to better monitoring, which could make natural disturbances, such as forest fires, 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.

Impacts on the state of species – The company is considered to have a limited impact on the size and proliferation of populations. Potential negative impacts have been assessed 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 and constitute SCA's Species Commitment. The company works actively to preserve, develop and recreate prioritized habitats for SCA's Species Commitment, such as multi-layered pine forests and deciduous forests. SCA's Species Commitment includes many different types of species such as fungi, beetles, lichens, mosses, birds and vascular plants. Coral tooth fungus, horned powderpost beetle and old man's beard are some concrete examples.

Impacts and dependencies on ecosystem services – The company is dependent on the availability of wood raw material and viable, functioning ecosystems. Active forest management can have a negative impact on ecosystems and ecosystem services if no consideration is given to, for example, harvesting close to watercourses or other consideration-demanding habitats.

The main risks are considered to be damage to forest due to weather, infestation by insects, fungi or from moose grazing. Material risks have also been identified resulting from political decisions that may affect the ability to efficiently manage forests or requirements for increasing land that is set aside to promote biodiversity that could reduce growth and opportunities to extract raw materials.

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. This applies to SCA's own forest and to the wood raw material purchased from other forest owners. 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. As a minimum requirement, all purchased raw materials must meet the requirements of FSC's Controlled Wood Standard. SCA's wood raw material comes mainly from Sweden. Refer to the country of origin table for raw material used. In addition to the wood raw material harvested in the company's own forests, the company harvests most of the raw material it purchases from private landowners. This provides the company with effective control over the wood raw material used.

Opportunities include continuing to use the forest to produce products. New opportunities may arise in the form of biodiversity credits. Opportunities have also been identified to further develop forestry in the form of additional, low-impact forestry methods that could reduce impacts on the forest landscape, for example by reducing the risk of rutting.

Managing these risks and opportunities is closely linked to the strategy, as the company's strategy for profitable growth is based on the growing forest.

Country of origin, percentage of wood raw material used	2024	2023
Sweden	95.7%	94.0%
Estonia, Latvia, Lithuania	3.5%	4.3%
Other	0.8%	1.7%

SCA's production facilities used 10.9 million (10.3) cubic meters of wood raw material in 2024. Almost all wood raw material is sourced from northern Sweden.

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.

All operations are located in Sweden except for the forest holdings, which 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 137,373 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	0	N/A
Pellets production	0	0	N/A
Forest holding, Sweden	N/A	137,373	Low
Forest holding, Estonia	N/A	339	Low
Forest holding, Latvia	N/A	1,120	Low
Forest holding, Lithuania	N/A	600	Low

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

Work to identify and assess material impacts follows the company's process described in the General information section. All risks are included in the company's risk management process that is described in the risk section in the Board of Directors' Report. Continuous monitoring of proposals for new laws and regulations is an important part of identifying, assessing and addressing potential risks. Identifying and developing opportunities is part of the company's strategy process.

Forest operations 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.

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.

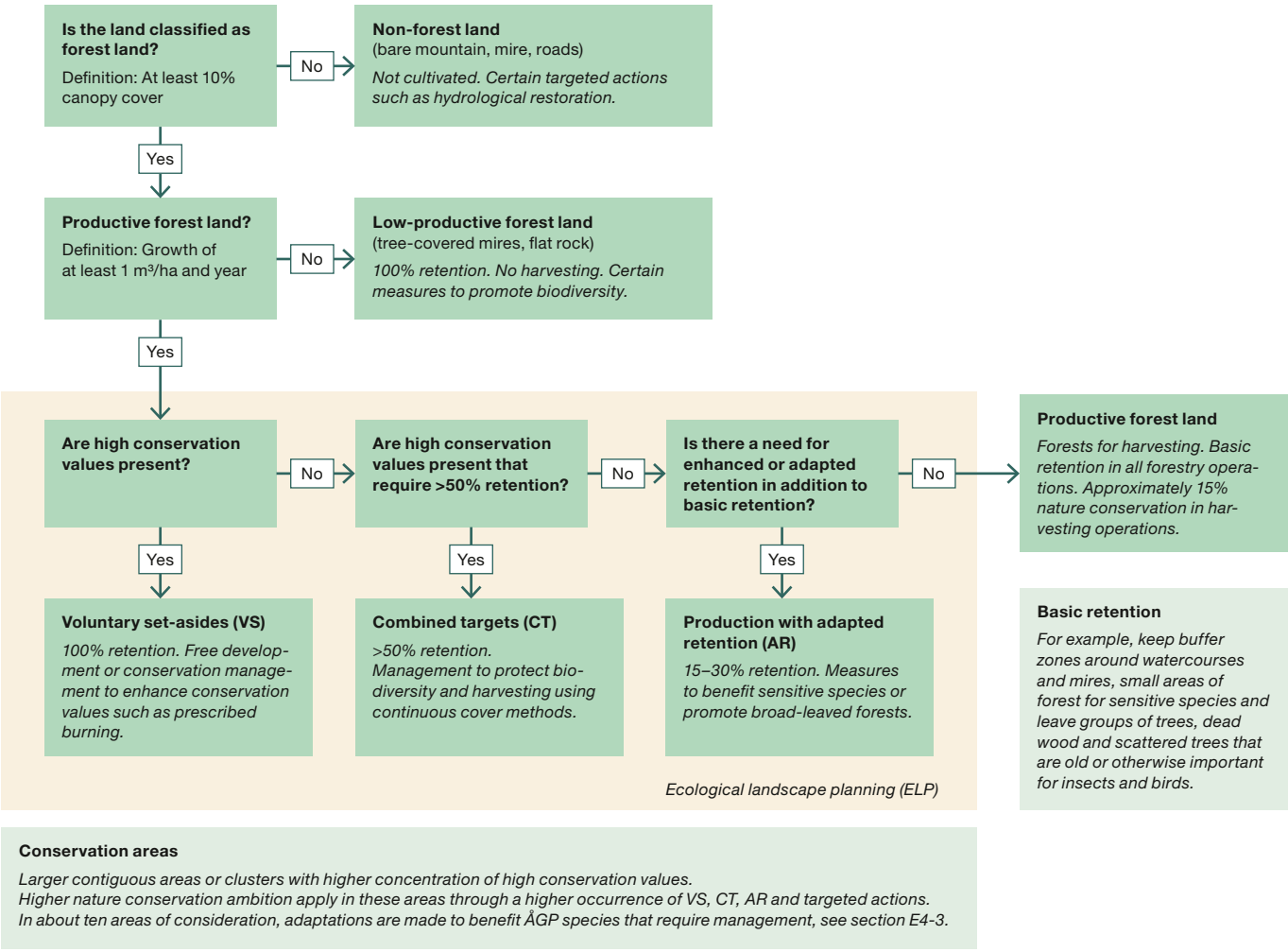
Forestry can lead to the loss of habitats such as older forests unless such forests with high conservation values are voluntarily protected or managed using, for example, continuous cover methods. Forestry can also lead to a shortage of substrates such as thick dead wood and old trees if these are not 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.

Process for assessing consideration category and measures to preserve or promote biodiversity in the company's forests



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 at sensitive passages.

SCA's forestry has, and continues to be, developed 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 protecting, enhancing or restoring habitats and by promoting a diverse forest structure.

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, see also the illustration that describes the process. 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.

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 risks 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.

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 forest roads built and maintained by the company facilitate access to ecosystem services, such as recreation, outdoor activities, hunting and berry picking. The company has also developed procedures to identify and protect cultural heritage objects and ancient monuments in its forests. In the company's five conservation parks, different forest values are highlighted and made available for everyone to experience. These parks are also used in developing and evaluating alternative forms of production and various methods to promote biodiversity. Reference meetings and stakeholder dialogues are held every year for the parks on how the forest should be managed with regards to the different conservation values in the parks.

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, respect for human rights and resource efficiency.

SCA's Sustainability Policy is adopted by the Board and 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 the company's website. 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 forest 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

Distribution by consideration category as a share of productive forest land

	Sweden			Baltic region[1]	
Consideration category	**Ambition**	**2024**	**2023**	**2024**	**2023**
Basic retention	87%	88%	88%	83%	83%
Voluntary set-asides	7%	8%	8%	5%	5%
Expanded retention	6%	4%	4%	12%	12%
– of which combined targets	3%	2%	2%		
– of which production with adapted retention	3%	2%	2%		
Area of productive forest land, million ha	**2.0**	**2.0**	**2.0**	**0.07**	**0.06**

[1] For the Baltic region, no ambition has been set as the process to acquire land up to 100,000 ha is ongoing

Actions to promote biodiversity

	Number of hectares	
Measures taken	**2024**	**2023**
Nature conservation measures in voluntary set-asides	156	272
Measures taken as combined targets	1,443	1,033
Measures taken as adapted retention	2,890	2,468
Seed tree stands retained for the future	1,605	1,752
Prescribed burning for biodiversity conservation	193	157
Measures in ÅGP landscapes in productive forest land	453	172
Wetland restoration projects[1]	397	361
Total	**7,137**	**6,004**

[1] The restoration of open wetlands on SCA land performed by SCA and in cooperation with other parties. Also includes the after-care of recent peat cutting sites that have been closed, 155 hectares in 2024 and 160 hectares in 2023. Wetland restoration was underestimated in reporting for 2023 due to the incomplete statement of areas. The correct value is 201 hectares, resulting in a total of 361 hectares in 2023.

The table shows forest management measures conducted during the year that have benefited biodiversity within SCA's Swedish forest holding. Various measures are implemented to recreate habitats 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.

SCA's nature conservation strategy includes efforts to safeguard and protect biodiversity and ecosystems. A sustainable harvesting strategy to ensure an increasing stock of standing forest over time is developed through harvesting calculations based on regular forest inventories. After harvesting, the land is reforested by the company planting two to three new trees for every tree harvested. SCA is opposed to deforestation and does not source wood raw material or other raw materials from regions where deforestation occurs. 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.

The company is dependent on access to viable ecosystems to guarantee access to raw material, as the wood raw material forms the basis of the company's value creation and business model. The company's ability to actively and responsibly manage the forest or gain access to raw material from external suppliers can be affected by political decisions such as increased set-asides to benefit biodiversity or by other stakeholders' views on forest operations.

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.

E4-3 – Actions and resources related to biodiversity and ecosystems

SCA takes a large number of actions every year to protect biodiversity and develop forest operations 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 its 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 and 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 tested in the parks to strengthen existing conservation values, create new ones and evaluate new uses.

Nature conservation strategy promotes biodiversity

Areas that provide vital habitats for sensitive flora and fauna are either excluded from harvesting through voluntary set-asides, enhanced though active conservation measures, 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. On the 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. This 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. Every year, SCA also implements targeted actions such as wetland restoration and prescribed burning. Ambition and outcome for SCA's productive forests by consideration category are shown in the table Distribution by consideration category. The table Actions to promote biodiversity shows the actions carried out during the year. During 2024 the first findings of the plant Zeiller´s clubmoss, which is dependent on fire, were found in Norrland within SCA's conservation park in Sörgraninge.

SCA's Species Commitment yields greater precision

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 forest 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 operations and therefore species that SCA has a particular responsibility for. These species are referred to as SCA's Species Commitment and mainly comprise fungi, mosses, lichen as well as insects and certain birds.

Based on the species' ecology, a number of 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.

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 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 2024, nature conservation measures were implemented to promote biodiversity in 7,137 (6,004) hectares in both productive forest land and in forests with existing high conservation values. In addition, around 1,100 hectares of clearing and thinning were carried out to create broad-leaved forests.

Responsible fiber sourcing

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 forest operations 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 continuously increase the percentage of wood raw material from forests certified and encourages its private forest owners to certify their forest operations. SCA also encourages non-certified landowners to apply the same on-site retention standards as those deployed in SCA's own forests. This is referred to as SCA retention and corresponds to certification requirements.

Metrics and targets

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.

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, expressed as proportion by consideration category, see table Distribution by consideration category as share of productive forest land. Thresholds have been specified for ambition and the level of nature consideration in each consideration category. These are presented in the process description Process for assessing consideration category and measures to preserve or promote biodiversity as well as in the table Proportion of nature conservation by category. The outcome is monitored and reported in the table. Organizationally, responsibility lies with the Forest business area.

To monitor the development of biodiversity in the company's forests, a number of indicators are monitored, refer also to E4-5. At present, these indicators and their development on SCA's land in northern Sweden are monitored in relation to northern Sweden as a whole.

To ensure that the wood raw material comes from responsibly managed forests, measurements are taken of the proportion that comes from certified forestry, is harvested with SCA retention or complies with FSC CW at a minimum.

The UN's new Kunming-Montreal Global Biodiversity Framework aims to halt and reverse ongoing biodiversity loss globally. All countries in which SCA operates and procures wood raw material have signed the agreement. The agreement will be translated into national requirements and SCA is monitoring the progress of this work and how the requirements will be applied.

Proportion of nature conservation by category
Includes productive and non-productive forest land in Sweden. Similar ambitions have not been specified for the holdings in Estonia, Latvia and Lithuania as these holdings are under development.

		Consideration share by category (area share)		
Consideration category[1)]	**Share of total area**	**Ambition**	**2024**	**2023**
Basic retention, area share	67%	10–15%	15.6%	16.0%
– of which saved stand of seed trees[2)]			20.9%	17.3%
Voluntary set-asides	5.4%	100%	100%	100%
Expanded retention	4.6%	N/A		
– in the form of combined targets	2.3%	>50%[3)]	~27%[4)]	N/A
– in the form of production with adapted retention	2.3%	15–30%[3)]	~30%[4)]	N/A
Low-productive forest land	10%	100%	100%	100%
Non-forest land	13%	N/A	N/A	N/A
Total land area, million ha	**2.6**			

1) Consideration categories are described in Process for assessing consideration category and measures to preserve or promote biodiversity.
2) Minimum 30 trees per hectare are retained.
3) Ambition expressed in volume share.
4) Refers to the area share of planned conservation patches, which underestimates the share of volume left as consideration such as trees left for combined targets and continuous cover methods. Target ambition is expressed in volume share. Method development is in progress.

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 2024 has been excluded in the analysis and in the determination of reference level. However, it only results in marginal differences that do not affect 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.

All indicators have developed very positively 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 in 2011 and 2013 was also noted. The volume of dead wood has increased by approximately 39%. 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 92%. The increase mainly consists of a greater number of thick deciduous trees in old forest. The volume of deciduous trees has increased by 24%. The increase results primarily because deciduous trees are left standing to a greater extent during pre-commercial thinning 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 (≥140 years) has increased by 36%. The increase was primarily the result of aging of voluntary set-aside forest. The percentage of old forest with specific indications of conservation value has increased by 42% since the estimations started in 2005.

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. In 2024, 66% (66) of wood raw material consumed was from FSC or PEFC certified forest management and remaining volume meets the requirements in FSC CW. This means that 100% of the wood raw material used, meets the minimum requirement of FSC CW. Wood raw material sourced from its own forests and chips from its own sawmills is included in the share of certified forestry.

SCA has not identified sites that are adjacent to or in biodiversity sensitive areas and that have a high impact on biodiversity within these areas, see section SBM-3. Measures taken in the forest holding are appraised and approved based on local needs and values. For the industrial sites, the impact on biodiversity is assessed as part of the environmental permit process.

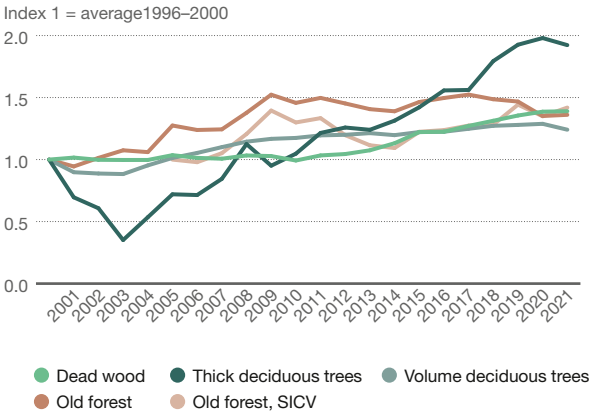
Indicators for biodiversity[1)]

Indicator	SCA Starting point 1996–2000	SCA Present situation 2021	SCA Trend	Mean value for northern Sweden
Dead wood, m³fo/ha	9.0	12.6	39%	9.5
Old deciduous trees (thick deciduous trees ≥ 35 cm), m³fo/hectare	0.6	1.1	92%	1.0
Deciduous trees, m³fo/hectare	15.7	19.5	24%	18.6
Old forest (> 140 years), share of productive forest land	5.3%	7.3%	36%	9.2%
Old forest with SICV, share of productive forest land[2)]	3.0%	4.2%	42%	4.3%

1) Data refers to five-year mean values on productive forest land, excluding protected areas for SCA's forests and reference values for northern Sweden, respectively.
2) 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.

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

Indicators for biodiversity – relative change



Entity-specific disclosures

No entity-specific disclosures were identified for 2024.

Social information

ESRS S1 – Own workforce

Strategy

SBM-2 – Interests and views of stakeholders
Long-term profitability requires sustainable and profitable growth in a responsible manner. The forest forms the core of SCA's business and the company's strategy for profitable growth is based on a growing renewable forest asset, increasing the value of each tree and achieving a high degree of self-sufficiency. The foundation is the company's value-based culture that is underpinned by SCA's core values of responsibility, respect and excellence, as described in the company's Code of Conduct. This value-based culture strives for a healthy and accident-free SCA, inclusive workplaces, respect for human rights and sound business conduct.

Employees are an important stakeholder group for the company and there are many opportunities for them to engage in dialogue on development, work situation, job satisfaction, work environment and to provide feedback. Dialogue with the line manager takes place in performance reviews, and workplace meetings are held with the department. In our 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 immediate manager and in each forum. SCA's operations in other countries follow current practices and have regular individual talks and departmental 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.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
SCA has conducted an initial Group-wide materiality assessment on working conditions, equal treatment and opportunities for all, as well as other labor-related rights. The company respects and supports international standards and complies with national laws in each country in which it operates.

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. Risks linked to the financial impact on the company have mainly been linked to the risk that the company will not be able to recruit the skills needed by the business, but that this does not constitute a material impact in the short or medium term. Potential risks have not been assessed in the longer term, as uncertainties regarding the need for and how the availability of skills will evolve and change over time.

In terms of labor and working conditions, the assessment is that SCA is dependent on access to the right skills and to be attractive as a company and industry but that it is complex to assess the company's significant impact on people of its own workforce. The company complies with applicable legislation and is considered to have no significant negative impact on employees concerning working conditions. SCA adheres to collective agreements that regulate working hours and adequate wages. In countries where no collective agreements exist, SCA follows relevant industry standards. In addition, legislation is in place to regulate cooperation, freedom of association and working hours.

In terms of health and safety, the assessment is that SCA could have a potential negative impact on employees in the short, medium and long term. SCA takes an active and systematic approach to reduce the risk of work-related accidents and ill health, but with different operations and processes there is a risk of accidents and ill health that may have a negative impact on employees. The greatest risk of occupational injury is in our industrial activities and forest operations. Risk analyses help the company to understand the risks in a workplace, both physical and psychosocial. This is done proactively, with regular risk analyses of entire facilities to reduce the risk of injury. The assessment that there may be potential negative impacts is linked to work-related accidents and ill health. There may be a risk that many cases of accidents and ill health could affect the company's reputation. Similarly, there is a risk that illnesses and accidents could result in production disruptions and lower productivity in operations. SCA works systematically with a range of measures, including policies and instructions, training and working practices to reduce potential negative impacts on employees. The assessment is that working conditions do not pose a significant financial risk for the company, such as in terms of costs.

SCA works actively with issues related to equal treatment and opportunities for all, such as gender equality, diversity, equal pay for work of equal value, measures against threats and harassment in the workplace, and training and skills development. The company is dependent on access to the right skills and to be attractive as a company and industry. The areas are expected to have a positive impact on the own workforce in the short, medium and long term.

SCA's assessment is that the company does not have a material impact specifically on the possibility of employment and inclusion of persons with disabilities, as the company adapts the work environment as far as possible to the needs of employees. SCA's actions are not expected to affect the company financially in the short, medium or long term as no major investments or major costs have been identified.

The assessment is that SCA has no material impact on areas such as child labor and forced labor, adequate housing and privacy. SCA does not tolerate child labor and forced labor and SCA does not operate in geographic areas or other activities where there is a significant risk of child labor and forced labor. SCA protects employees' personal data and right to privacy and ensures that employees are not subject to unauthorized monitoring in the workplace.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce
SCA has several policies and general instructions that describe how the company manages material impacts, risks and opportunities related to its own workforce. The policies and general instructions apply to all employees.

SCA's Code of Conduct is 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. 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. Other areas in the Code of Conduct include limiting the risk of discrimination, harassment, unethical and corrupt behavior. The Code describes how SCA works to broaden diversity among our employees and the equal treatment of 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 also describes how reports and breaches of the Code of Conduct will be dealt with. SCA encourages all employees to report suspected violations of the Code of Conduct or related laws in accordance with SCA's normal channels. These include line managers, HR managers, legal counsel, union representatives or SCA's whistleblower system. New employees undergo training in the Code of Conduct as part of their induction, and all employees take part in a refresher course every third year. The equal opportunity plans, which include active measures 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, are prepared and followed up on an annual basis. The Code of Conduct is publicly available on the company's website, sca.com, and is described in more detail in section 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 drugs and alcohol. The HR Policy also describes how recruitment should be carried out in a professional and high-quality manner. The company values and develops the diversity of its workforce. To increase attractiveness and diversity, the company is working to better clarify the employer proposition and to broaden its recruitment base by changing the style of its recruitment ads, and through interaction with high schools, higher education institutions and universities. In recruitment, the aim is to ensure that at least one of the final candidates is from the underrepresented gender for that position.

The company also has a guideline against victimization that clarifies the responsibilities of SCA and its employees. Both the policy and the guideline are owned by the Senior Vice President, Human Resources who is responsible for their implementation.

SCA has a Health and Safety Policy which states that everyone shall return home healthy and unharmed. Systematic health and safety work is conducted in company-wide activities referred to as ZERO. The policy is owned by the Senior Vice President, Group Function Human Resources who is responsible for ensuring it is updated and communicated.

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 the General information section. The process 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 general instructions and act in accordance with these. The implementation of policies and overall 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 disseminated via departmental and workplace meetings. Information about new or changed policies and instructions is provided on the company's intranet. When there are changes, training may also be provided in certain areas.

S1-2 – Processes for engaging with own workers 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 engagement is to increase influence and participation at work, from idea to decision, by giving employees opportunities for information and influence. Collaboration takes place at all levels of the company. Employee union representatives attend SCA's Board meetings, which are held around ten times a year. SCA's policies are decided by the company's Board of Directors and apply to the entire company. In the Code of Conduct it appears that SCA supports and respects internationally stipulated human rights wherever SCA conduct operations. In line with the UN's Guiding Principles on Business and Human Rights, SCA has integrated these principles into the Code of Conduct as well as into the daily operations.

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' engagement groups, safety inspections, workplace meetings, performance reviews and 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 engagement is to take place and items to be addressed at the meetings. The agreement aims to create a well-functioning structure for information and to exercise co-determination within the Group. The engagement groups meet at least three times a year with the aim of promoting the development and efficiency of the company alongside the creation of stimulating and developing tasks in a safe and secure work environment. The agenda includes items such as health and safety, employee and organizational matters, equal treatment, finance and investments, and information from SCA. The engagement meetings give workers an opportunity to make their voices heard, and to exert influence through their union representatives. Decisions are recorded at the engagement meetings and employees are informed via their union representatives.

The entire Group holds regular team meetings where dialogue is created on issues that may impact the employee and their team. The agenda includes 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 that affect their team where information is clarified, ideas developed and joint decisions made. A proprietary callbox is available to facilitate and encourage dialogue on issues and situations that may arise in everyday work. By raising awareness and understanding of each other, SCA's employees can strive to create an even better workplace. In addition to an annual performance review, there is a continuous dialogue with the line manager on issues primarily related to the employee, such as work tasks, health and safety, well-being, development, results and feedback, or any other issues that may affect the employee. During manager and employee dialogues, individual needs are identified to address any disabilities and inclusion.

In its Swedish operations, SCA also has a process for engagement in the event of an organizational change, to either inform or negotiate in accordance with the Swedish Employment (Co-Determination in the Workplace) Act. Employees are represented in the process by trade union representatives. In other countries where SCA operates, dialogue takes place directly with employees and in working groups.

The transition to greener and more climate-neutral operations is in line with the company's strategy and is expected to provide opportunities to develop the company and create jobs, which is considered positive for the company's own workforce.

The Senior Vice President, Group Function Human Resources is ultimately responsible for the engagement process. In the business areas, support units and Group functions, each manager is responsible for ensuring that performance reviews, workplace meetings and engagement meetings are held. Follow-up and assessment of how well the dialogue is working takes place in each forum. Business area HR managers, trade union representatives and the Senior Vice President, Group Function Human Resources regularly evaluate the collaboration process to assess effectiveness.

SCA continuously conducts All Employee Surveys where employees have the opportunity to 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 urges 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. SCA employees are able to report potential breaches of the Code of Conduct or applicable regulations in accordance with SCA'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 function is available at sca.com and open to employees as well as individuals who do not work at SCA. Complaints 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. Even if an allegation cannot be substantiated, preventive actions may be implemented. The whistleblower system is an encrypted reporting channel provided by a third party. According to SCA's whistleblower instructions, retaliation against a whistleblower is strictly prohibited and a basis for legal action. SCA's Compliance Council compiles an annual summary and analysis of incoming cases to monitor the number and categories and identify the need for action. Comparisons are made with previous years. The effectiveness of the process is considered in conjunction with the analysis. The Compliance Council continuously monitors ongoing cases. Section G1-3 provides a detailed description of the whistleblowing process and follow-up of 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 and complaints. 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 reduced or completely avoided. The employee is entitled to have their union representative present during the discussion.

Employees are given the opportunity to express their views on the process through All Employee Surveys, trade union contacts and dialogue with their line manager.

S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The area where SCA significantly could impact employees is occupational health and safety. SCA is working actively to prevent work-related injuries and ill health. SCA's objective in occupational health and safety is to ensure that all employees, and everyone who enters the company's sites, shall return home healthy and unharmed. The company's target is an accident-free and healthy SCA. SCA has brought health and safety activities together under the ZERO program. Each business area is responsible for implementing actions to identify and prevent risks to minimize potential negative impacts. 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 the outcome and developments. SCA also has an Occupational Health and Safety Network whose purpose is to actively contribute to realizing an accident-free SCA by developing the health and safety culture throughout 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. 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 events 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 systematic training to create a better work environment (known under the Swedish acronym of BAM). Every year, employees are also trained in behavior-based safety (BBS), a methodical and simple approach to alert each other to work safely. Statutory training is also systematically carried out in various areas such as hot work, forklift driving and chemical health hazards in the workplace. Regular statutory medical checks are carried out in the workplace. In addition, health profile assessments are conducted 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 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.

Over the past year, systematic improvement activities have continued to drive health and safety work forward. These included improvements in procedures and working practices to reduce the risk of workplace accidents. 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 2024, work has been ongoing throughout the Group to minimize the risk of collision between people and vehicles. Different types of technical aids have been tested as part of the initiative to help the machine operator and pedestrians. Parts of the company took part and the results will be evaluated and action plans drawn up in February 2025.

During the year, the definition of total recordable incident (TRI) was reviewed and harmonized within the company. TRI covers workplace accidents that result in absence, the inability to carry out normal work duties or the need for medical treatment beyond first aid. The aim was to get a fairer assessment of accidents, to create a learning process and to encourage employees to seek medical care to get an assessment and prevent future impacts from an accident.

In 2025, the company will conduct Group-wide fire safety training for all employees.

Focus areas for 2025 to reduce the negative impact include traffic, same-level falls, BBS dialogues and employees learning and applying life-saving procedures. The focus areas offer employees an opportunity to gain broader knowledge linked to behaviors and how workplaces can be designed. Monitoring is performed in the ZERO steering committee and 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.

A Group-wide IA system is used for reporting per unit and following-up work-related injuries and incidents, 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, as an aid to develop the health and safety culture in the company.

In order to prevent the company from creating procedures and working practices that can have a negative impact, impact assessments of work tasks are carried out, reported risk observations are analyzed and BBS dialogues are conducted. The work includes trade union representatives.

The company considers that the health and safety process is developing positively as the proactive work involves many employees and the number of accidents is gradually decreasing.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In SCA's sustainability platform, one of the Group's overall sustainability targets is "An accident-free and healthy SCA where all employees comply with SCA's Code of Conduct." The Group target is complemented by supporting target in order to reduce potential negative impacts and strengthen the positive impacts for our employees. To reduce the potential negative impact in health and safety, there is a target of "Zero workplace accidents resulting in absence". The target applies across the entire company. Union representatives were involved in the target-setting process before the target was adopted by Executive Management and presented to the Board of Directors.

The company has a vision of zero workplace accidents and has set the target of Zero workplace accidents resulting in absence, which is measured as lost time accidents per million hours worked, the LTA rate. The outcome is measured against the base year 2019 and no interim targets have been defined, as the target for all years is Zero workplace accidents resulting in absence. The target was set following an assessment of statistics, industry comparisons and internal discussions. The outcome for 2024 was 3.1 (4.3) compared with 7.4 LTAs per million hours worked for the base year. The outcome is in line with the target.

The LTA rate is followed up on a monthly basis. Follow-up of the target takes place at Executive Management meetings, management team meetings, workplace meetings and in forums for social dialogue. The various meeting forums provide an opportunity to discuss the outcome and draw conclusions to reduce future potential negative impacts.

In addition to forums within the business areas and central functions, there is a cross-functional network, SCA's Occupational Health and Safety Network, which consists of representatives from the various parts of the Group. There is also a ZERO steering committee consisting of business area presidents, heads of Group functions, ZERO coordinators and union representative. Both the Occupational Health and Safety Network and the steering committee review accidents and lessons learned from occurred events on a regular basis. Lessons learned, experience and knowledge exchanges take place at the meetings and are spread throughout the organization.

S1-6 – Characteristics of the undertaking's employees

The number of employees at year-end is shown in the tables, broken down by type of employment, countries in which SCA operates and legal gender.

The average number of employees during the year was 3,456, and the corresponding figure for Sweden was 3,386. Almost 90% of the company's employees are permanent employees, with the remainder holding various forms of temporary employment.

The number of employees who left the company during the year was 254. The employee turnover rate is 8% (6). Personnel-related data is mainly collected in SCA's HR system. For countries outside Sweden, some HR data is supplemented manually by collecting data from each country. The compilation and validation of HR data is performed centrally. The tables refer to data from December 31, expressed as number of employees.

Total personnel costs are reported in Note C1 in the financial notes.

Employees by contract type, broken down by gender

Head count	Female	Male	Other	Not disclosed	Total
Number of employees	820	2,553	-	-	3,373
Number of permanent employees	685	2,295	-	-	2,980
Number of temporary employees	121	194	-	-	315
Number of non-guaranteed hours employees	14	64	-	-	78
Number of full-time employees	806	2,527	-	-	3,333
Number of part-time employees	14	26	-	-	40

Number of employees in countries[1)]

Country	Number of employees (head count)
Sweden	3,304

[1)] For detailed information about employees in other countries, see Note B1 in the financial notes.

Employee head count by gender

Gender	Number of employees (head count)
Male	2,553
Female	820
Other	-
Not reported	-
Total employees	**3,373**

S1-7 – Characteristics of non-employee workers 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. 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.

This year's reporting has been expanded to include self-employed people supervised by SCA, a change from reporting in 2023 that only related to insourced personnel. Reporting for 2024 also includes insourced and self-employed people in foreign operations. Administrators, financial assistants, dock workers, technicians and inside sales reps, among others, are provided by staffing and consulting companies. SCA has agreements with self-employed people supervised by SCA and the most common assignments are in project development and as mechanics. The calculation 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, 2024, SCA had hired 77 people compared with 41 people in 2023, calculated as full-time employees. On average, 69 people were hired during the year, compared with 49 people in 2023. The increase in the number of non-employees is due to a temporary increase in the need for labor.

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 CEO and Executive Management are excluded. SCA's operations in other countries are not covered by collective agreements, except in Germany where 5% of employees are covered. Insourced personnel and self-employed people supervised by SCA are not included in the statistics.

SCA no longer has an active European Works Council (EWC), since most of company's operations and employees are in Sweden (98%). The company continuously reviews the need for an EWC based on current regulations.

	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 age structure is presented in the table below. The table refers to permanent employees at the end of the year. No major changes have taken place compared with the year-earlier period.

SCA's Board consists of five women and four men. The proportion of women is 56% (40), 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 units, is 21% (21).

	Total	
Total age structure for the Group, %	2024	2023
<30 years	15	15
31–40 years	25	24
41–50 years	21	22
51–60 years	31	31
>60 years	8	8

S1-10 – Adequate wages

The pay for all SCA employees is higher than the minimum wage or applicable adequate wage benchmark in each country, when minimum wage is 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 the 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, except in China (Hong Kong) where employees lack corresponding protection.

S1-12 – Persons with disabilities

SCA complies with the applicable protection legislation that prohibits discrimination on the grounds of disability and requires that companies provide an accessible work environment. In light of this and the applicable data protection laws, the company does not collect information on any disability among its employees.

S1-13 – Training and skills development metrics

SCA's goal is that all employees complete at least one performance review with their manager each year. In 2024, 93% of men had a review with their manager, while the corresponding figure for women was 92%. The total share of completed performance reviews in the company was 93% (91).

During the year, each employee completed an average of 18 training hours, compared with 17 training hours last year. Of these, men completed an average of 17 hours, and women 22 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 in-house machine operator training, an external development program to increase maintenance skills and 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 to attract, retain and develop skills in areas such as purchasing and individual development.

S1-14 – Health and safety metrics
The provisions of Systematic Work Environment Management (AFS 2001:1) 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 34% 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, 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.

SCA reports serious workplace accidents, and health and safety incidents to the relevant authority, which may submit a case to the public prosecutor for review. In 2024, no cases resulted in corporate fines or penalties.
In 2023, one tragic fatal accident occurred at a subcontractor in forestry operations. At the end of 2024, the incident was still under investigation by the authorities.

Occupational health and safety[1)]

	2024	2023
Absence due to illness total	3.1%	3.5%
Number of workplace accidents resulting in absence, LTA (of which non-Swedish units)	16 (0)	22 (1)
Number of workplace accidents among contractors, CLTA[2)] (of which fatal accidents)[3)]	12 (0)	19 (1)
Number of working days lost due to workplace accidents, DLA[4)]	280	374
Workplace Accident Severity Rate, ASR, measured as days of absence/LTA	17.5	17.0
Workplace accident frequency rate, FR, LTA per million hours worked	3.1	4.3
Fatal accidents	0	0
Total recordable incidents, TRI[5)]	53	92
Total recordable incidents rate, TRIR, TRI per million working hours	10.4	18.0
Number of hours worked, million hours	5.11	5.13[6)]

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) Subcontractor in conjunction with preparing ahead of harvesting in 2023.
4) Scheduled days of absence from day 1 after the accident.
5) Includes all lost time accidents (LTA), restricted work cases (RWC) and medically treated accidents (MT). Medically treated accidents according to OHSA.
6) Correction of minor input error. No impact on other metrics.

The most common accidents leading to absence during 2024 are caused by employees falling, tripping or slipping. Another category of accidents resulting in absence is when employees are exposed to cold, heat or radiation. 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 SCA's operations in Sweden and in other countries, employees have the opportunity to take family leave, with the exception of China (Hong Kong). 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 99.8% of employees. During the year, 21 percent of women and 18% of men took family-related leave.

S1-16 – Compensation metrics (pay gap and total compensation)
At Group level, the average pay level of women is 13% lower than the average pay level of men. Gross pay 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 to obtain the pay gap.

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all other employees is 34 (33). 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 wage for other employees to obtain the remuneration ratio.

SCA adheres to collective agreements and applicable regulations and works with any unjustified pay gaps for equal work and work of equal value per legal unit.

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 section G1-4.

Concerns can be reporting 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 2024, no (0) cases of discrimination, including harassment, were reported through either channels available to people in SCA's own workforce to raise concerns (including grievance mechanisms), 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.

Entity-specific disclosures

No entity-specific disclosures identified for 2024.

Governance information

ESRS G1 – Business conduct

Governance

GOV-1 – The role of the administrative, management and supervisory 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. This 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 intended to ensure that SCA's employees and others who represent SCA live up to the Group's core values and do not engage 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 routinely 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 dealing with 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's 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 general instructions. The internal audit reports to the Audit Committee.

Impact, risk and opportunity management

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities
The company relies on a sound and values-driven corporate culture to create a safe and healthy work environment, good productivity, innovation and ethical business conduct.

SCA's operations are based on a sustainable business model in which creating value for people and the environment is a prerequisite for growth and profitability. To ensure sustainable operations, SCA has developed a process to identify and manage the negative and positive impact from the company's operations and value chain, see the General information section. 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 and as described in the risk section of the Board of Directors' Report. Identifying and developing opportunities is part of the company's strategy process.

SCA wants to ensure safe and high-quality goods and services for its customers and consumers, produced and delivered with respect for people and the environment. Potential business partners are evaluated using a structured process, according to the instructions for Integrity Due Diligence (IDD) of business partners, before any cooperation is initiated. The evaluation comprises both commercial matters and issues concerning existing policies and processes regarding, for instance, human rights, the work environment, working conditions and business conduct.

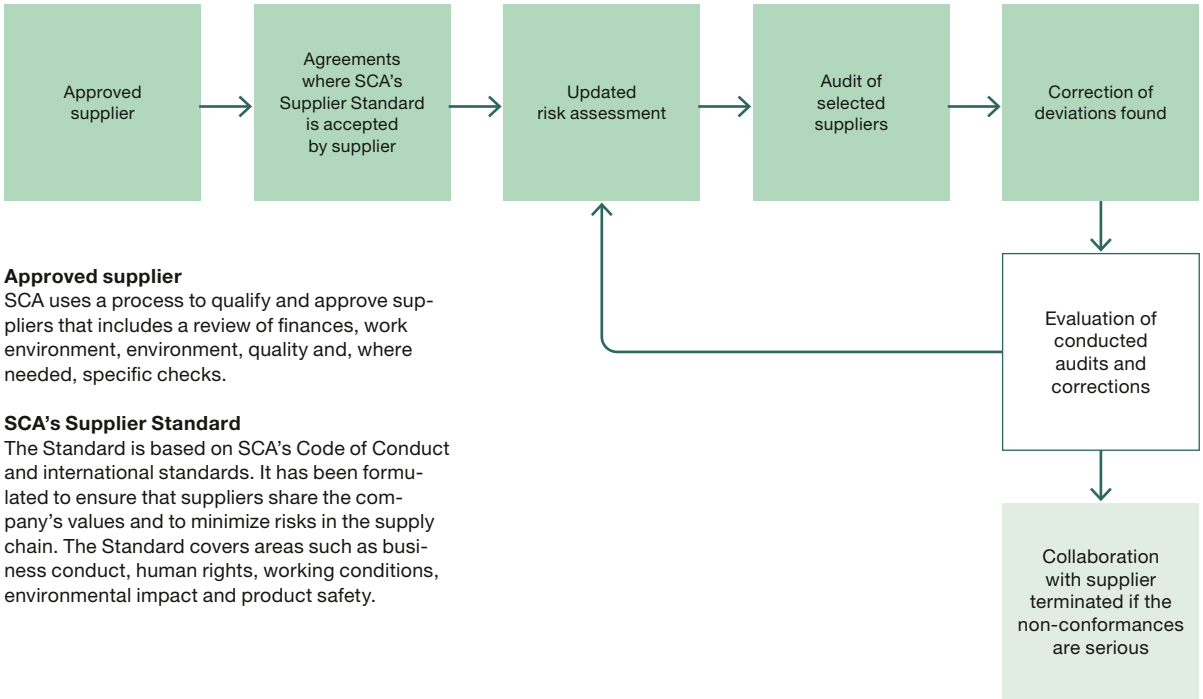
SCA also has a process to review and approve suppliers before agreements are signed. To ensure that SCA's suppliers share the company's set of values, SCA has formulated a Supplier Standard with which suppliers must comply. It has been formulated to ensure that the company's suppliers share the company's values and to minimize risks in the supply chain.

SCA works systematically to ensure that all wood raw material originates from responsibly managed forests. This is regularly verified by independent third parties in accordance with the relevant standards from FSC and PEFC.

Opportunities for employees and persons not employed by SCA to report suspected violations of the Code of Conduct are described in section G1-1.

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's Code of Conduct serves as the basis for its corporate culture and is founded on SCA's core values – responsibility, respect and excellence. This 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 intended to ensure that SCA's employees and others who represent SCA live up to the Group's core values and do not engage in unethical business or activities. The Code of Conduct covers areas such as business conduct, fair working conditions, anti-corruption, health and safety, employee relations, respect for human rights and the equal value of all people, the rights of indigenous peoples, environment and society. SCA's Code of Conduct applies to all employees within the Group and other people who represent SCA. It applies to all markets in which SCA conducts operations. Corporate culture is evaluated and monitored, for example, through an assessment in the internal control of compliance with the Code of Conduct, by analyzing reported cases, and employees also have the opportunity to make their voices heard in SCA's All Employee Survey.

SCA is committed to respecting human rights and freedom of association, and has a zero-tolerance policy on child and forced labor. The Code describes how SCA works to broaden diversity among our employees and the equal treatment of 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.com.

The Code of Conduct has been adopted by the Board and SCA's Executive Management is responsible for its implementation. The Code of Conduct is based on the UN Declaration of Human Rights, the International Labour Organisation's (ILO) Core Conventions, the OECD Guidelines for Multinational Enterprises, and the Ten Principles of the UN Global Compact.

New employees are trained in the Code of Conduct as part of their introduction, and every third year, all employees undergo recurrent training. The training includes the areas of health and safety, diversity and non-discrimination, business conduct, anti-corruption and fair competition, respect for human rights, the environment and sustainability, community relations and information security and privacy. All white collar employees receive anti-corruption training. Functions that may be particularly exposed to risks, such as employees in senior positions and/or who have external contacts, receive in-depth training.

SCA encourages all employees to report suspected violations of the Code of Conduct or related laws in accordance with SCA's normal channels. These include line managers, HR managers, legal counsel, union representatives or 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 is an encrypted reporting channel provided by a third party and is available on sca.com. Complaints 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.

As stated in SCA's Code of Conduct and the company'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. Similarly, it is strictly forbidden to prevent, or attempt to prevent, anyone from seeking such advice.

G1-2 – Management of relationships with suppliers

SCA relies on its suppliers of goods and services to conduct business. For SCA, it is important that business is conducted on ethical terms. Through its use of system support and principles, SCA ensures fair and responsible business arrangements, particularly in relation to payments.

SCA wants to ensure safe and high-quality goods and services for its customers and consumers, produced and delivered with respect for 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 and working conditions, health and safety, environment, business conduct and sustainable purchasing. In 2024, 98% (98) of contract suppliers accepted the Supplier Standard.

SCA has the right to verify that suppliers comply with SCA's Supplier Standard. SCA, or a third party appointed by SCA, reserves the right to visit its suppliers and carry out on-site reviews or audits to ensure compliance with the Supplier Standard. The supplier undertakes to cooperate to facilitate such an review or audit. If the supplier or any of its own subcontractors do not comply with the requirements of the Supplier Standard, the supplier must take prompt action so all of the requirements are met. SCA reserves the right to terminate the collaboration with a supplier who, despite warnings, does not rectify the discrepancies.

SCA has an external system 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. In 2024, 8 (5) on-site audits were performed. Sustainability risks for just over 4,400 (4,300) of SCA's suppliers were assessed using the EcoVadis IQ tool. The sustainability activities of just over 500 (450) of these suppliers were also studied in more detail in EcoVadis.

SCA has a Group-wide purchasing function where SCA's purchasing is coordinated and the buyers are responsible for most of the dialogues with the company's suppliers. Regular risk and improvement reviews are conducted both internally, and in dialogue with suppliers.

SCA's process for a sustainable supply chain is illustrated on the previous page and includes suppliers' acceptance of SCA's Supplier Standard, risk assessments and audits of selected suppliers. In the event of non-conformances, a new evaluation is carried out to ensure that the non-conformances have been corrected. If the non-conformances are serious, collaboration with the supplier may be terminated. SCA also has a process for evaluating potential business partners. Business partners are evaluated according to the instructions for Integrity Due Diligence (IDD) of business partners, before any cooperation is initiated. The evaluation comprises both commercial matters and issues concerning existing policies and processes regarding, for instance, human rights, the work environment, working conditions and business conduct.

G1-3 – Prevention and detection of corruption and bribery

SCA bases its business activities on honesty, integrity and responsible business conduct. Work against corruption is included in SCA's Code of Conduct and SCA's instruction for anti-corruption establish 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. 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.

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. 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.

Anti-corruption is included in Code of Conduct training, and all employees receive this training as new employees with recurrent training every three years. Employees in a senior position and/or with external contacts receive in-depth training every two years. In 2024, the target group amounted to around 1,600 employees, representing almost 50% of all employees. Anti-corruption training teaches employees how to identify and avoid bribery and corruption, and how to act ethically in potentially difficult situations. Management teams and other functions that may be exposed to risk, also receive training on these issues in the form of mini-seminars.

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. The employees concerned work in sales and purchasing or in other marketing-related positions. SCA has guidelines for compliance with competition law. Every year these guidelines are distributed to the target group, who must confirm that they have read the material. 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 to avoid conflicts of interest for employees. According to 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.

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. This is open to employees as well as individuals who do not work at SCA. Complaints 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. Even if an allegation cannot be substantiated, preventive actions may be implemented.

The company has 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. A report can be made anonymously if desired. Cases that are reported are handled by independent and autonomous functions appointed by the respective business within SCA. The persons reviewing and handling cases are independent from the parties involved in each complaint. If necessary, the audit 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 the report. Similarly, it is 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.

Metrics and targets

G1-4 – Incidents of corruption and bribery
Reported cases and complaints in 2024 (outcome in 2023 in brackets)
SCA has established a number of methods to ensure compliance with applicable legislation 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 whistleblowing policy, 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 routinely reports to the Board's Audit Committee.

Incidents of corruption or bribery
In 2024, 9 (14) cases of potential breaches of the Code of Conduct were reported and investigated. They included cases of theft, corruption and conflicts of interest as well as inappropriate behavior. Of these, 5 (5) cases were confirmed as breaches of the Code. Two 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.

G1-5 – Political influence and lobbying activities
SCA's Code of Conduct states that the company is politically neutral and does not allow payments or other donations to political parties, candidates or their institutions, offices and representatives. Thus, no payments were made to political parties during the year.

SCA works with representatives from governments, regulators, legislators, industry associations and companies to achieve a sustainable and long-term policy environment for the forest industry and its contribution to the green transition. SCA is working for a growing bioeconomy with stronger global competitiveness. SCA's priorities are limiting global warming, developing forestry and preserving biodiversity.

Limiting global warming is one of the greatest challenges of our time and the forest industry is part of the solution. According to the United Nations Framework Convention on Climate Change (UNFCCC), there are two ways to save the climate: increasing carbon sequestration, and reducing fossil fuel emissions. The forest industry contributes to both. Forests sequester large amounts of CO_2 as they grow, and since Swedish forestry harvests fewer trees than it grows, the carbon stock is increasing. The trees that are harvested provide a significant climate benefit in that forest products replace fossil fuel products such as plastic, concrete and fossil energy. In this way, the use of oil and coal can be phased out. A third climate benefit is that forest products store carbon throughout their lifetime. It is important that policy makers consider the climate benefit of forests as a whole, by accounting for carbon sequestration in forests, carbon storage in forest industry products and the emissions that are avoided when bio-based products are used to replace products from fossil resources. High forest growth and high availability of wood raw material are two crucial factors for achieving a fossil-free world. SCA supports the Paris Agreement and the goal of limiting global warming to 1.5°C. SCA also supports the EU's ambition to reduce emissions by at least 55% by 2030.

SCA's forests are home to large numbers of flora and fauna – species that we want to continue living there in the future. The company works continuously to make work with nature conservation even more effective and, in addition to the considerations taken in all measures, targeted efforts are made to preserve and promote biodiversity. SCA strives to increase the understanding that forestry and biodiversity conservation do not contradict each other. It is possible to combine high production of valuable renewable raw material with extensive consideration of other forest values. SCA works continuously to raise knowledge about how biodiversity can best be promoted. The company also supports research in the area by, for example, serving as land stewards and contributing working hours. SCA supports the Trees-for-me research project, which is focused on fast-growing deciduous trees and includes biodiversity.

SCA's Senior Vice President Sustainability and Communications is responsible for political advocacy and lobbying activities.

No member of SCA's Board or Executive Management have held a senior position in a government, regional or municipal authority over the past two years.

SCA is part of the EU Transparency Register and plays an active role in the EU's ambition to increase transparency. The register allows the public, stakeholders and decision-makers to see what interests the company represents. SCA's registration number is: 805631351564-45.

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 34 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.

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	30	34	38
Agreed payment period, number of days	27	30	32
Percentage of payments made on time, %	53	50	47

Entity-specific disclosures

No entity-specific disclosures identified for 2024.

Other sustainability disclosures

Pollution

SCA's operations entail a risk of negative impact through actual or potential emissions to water, air and soil. The company's total emissions are influenced by the level of production, product portfolio and uniformity in production. SCA's production facilities hold environmental permits, which regulate emissions, among other parameters. The company has control systems in place to ensure compliance with permits issued and to quickly flag if a fault were to arise. To minimize the risk of emissions during forestry operations, there are several procedures in place and follow-up is done, for example, in the form of internal audits on site. SCA requires its suppliers to minimize risks for emissions in the value chain. Fossil greenhouse gas emissions are reported in section E1-6 under Climate change and also include emissions in the value chain.

Emissions also occur in the value chain, for example in the production of input goods, fuel and spare parts. Only our own operations are included in the description below and in the reported outcomes (see the Environmental data table) unless otherwise stated.

SCA's operations are conducted in accordance with applicable legislation. Environmental conditions and permits are adhered to, and in case of a possible exeedande of conditions, the authorities will be informed. Deviations from permits and/or legislation are registered and corrective action is taken both urgently and in the longer term to reduce negative impact and avoid the event happening again. In 2024, 122 (97) remarks were registered. These remarks were related to noise, odors, emissions to surrounding areas, and to forest management operations. During 2024, 34 (22) environmental matters were dealt with in dialogue with the authorities. During the year 0 (4) of these matters resulted in penalties.

Water

Almost 100% 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, 68%, 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. Mechanical treatment removes suspended solids, sand and particles. Biological treatment reduces dissolved solids and pollutants that affect chemical oxygen demand (COD).

Emissions to water relates to suspended solids, COD, chloroorganic compounds (AOX), nitrogen and phosphorous. SCA monitors water consumption and the quality of effluent water with process control and control programs. By 2030, SCA is aiming to reduce particle emissions to water by 10%.

Timber is watered at a few timber terminals and is subject to an environmental permit. This water is treated separately.

Air

Emissions to air from the company's production facilities are mainly from incinerators. In addition to fossil CO_2, dust, NOx and SO_2 are the emissions to air with the greatest impact and that are also covered by the industries' environmental permits. Industries have control programs in place to manage and ensure that emissions do not exceed permitted limit values. Emissions of fossil CO_2 are described and reported in section E1-6.

Emissions to air are also generated by different types of transportation. In addition to fossil CO_2, particulate matter, NOx and SO_2 are the emissions with the greatest impact. SCA works to reduce emissions by increasing the fill ratio, providing training in ecodriving, applying various techniques to reduce fuel consumption, and prioritizing transport modes and fuel with a lower environmental impact.

The largest share of transport work is conducted by ship with SCA-owned RoRo vessels, or other cargo ships. SCA uses external suppliers for most of its road transportation. Heavy vehicles, known as 74-tonne vehicles, contribute to more efficient transportation. 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 reduce environmental impact.

Soil

There are no emissions to soil in the normal course of operations. Emissions to soil could occur in the event of accidents. Soil pollutants from historical activities are present at the company's sites and are managed in accordance with national laws. In forest operations, there is a risk of leakage of hydraulic oil and fuel in the event of an accident. Preventive measures are implemented to minimize the risk of this occurring and to minimize the impact should an accident occur.

Water use

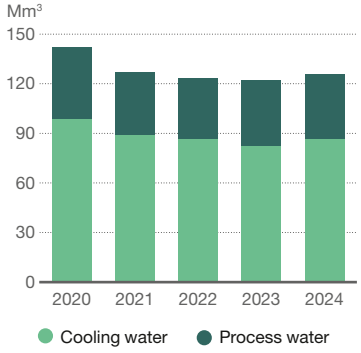
Water issues are increasingly important from a global resource perspective even if Sweden is a country with low risk for general water shortages.

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.

Most water is used by SCA's industries for cooling and has therefore not been in contact with process media. Process water represents about 30% of total water usage and is the part of the intake water that has been in contact with the industrial process. Process water is treated in a wastewater treatment facility before it is discharged to the recipient.

SCA is striving to reduce water use and is aiming to cut specific process water use at its industries by 5% by 2030, compared with the base year of 2020. In 2024, total process water use decreased compared with the preceding year.

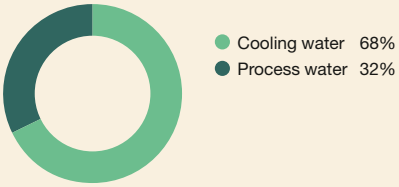
Water use in SCA's industries



Responsible water management

SCA's plants 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.

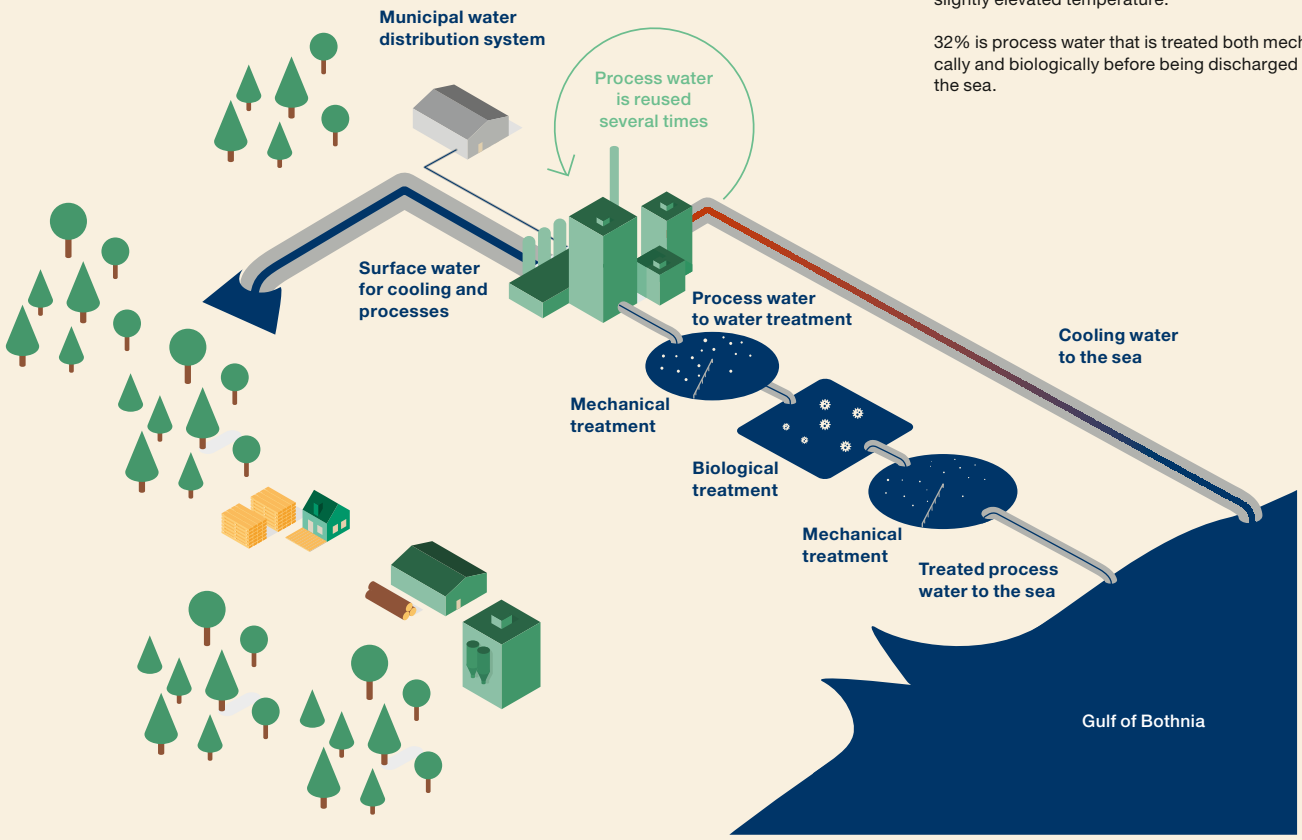
Distribution of used water



68% 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 into the sea.

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



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 shall conduct its operations in a manner that has the least impact on people and the environment, and to eliminate wastage, Zero waste.

SCA's products are based on renewable raw materials that can be reused and contribute toward a circular material flow. Through collaboration and innovation, the company is constantly striving to identify new uses for existing products, by-products and side streams from the process as a means to further increase circularity and climate benefit.

We use the entire tree

SCA strives to make use of the entire tree and all of our side streams. The most valuable part of the tree is processed in the sawmills into solid-wood products. Some of these become window components, painted cladding or shelves. More than half of the log is used for solid-wood products. The remainder becomes chips for pulp production or sawdust that is processed into pellets. The bark is used in energy production.

In addition to finished goods, SCA's mills generates by-products and side streams such as bark, tall oil, ash and sludge. Most side streams, such as ashes, green liquor sludge and lime mud is today used as construction material or is handled as waste, while by-products are largely used in energy production and the production of liquid biofuel. SCA's target is to increase the added value and circularity for these streams by finding new uses or new products. SCA is continuously striving to optimize its resource efficiency and energy performance by developing its processes, products and practices.

All units are to work to improve resource utilization through efficient processes and a high degree of availability, more recycling and by investigating new uses for their side streams. SCA's units actively monitor their energy usage, set targets for improving their energy efficiency and take steps to realize these targets.

Product development and innovation

SCA conducts structured innovation work in compliance with its strategic priorities. Innovation work is integrated into sustainability activities and aims to create as much value as possible from the entire tree, partly through greater utilization of raw materials, efficiency and increased circularity, and partly by transitioning the product portfolio to increase added value. Innovation work leads to greater customer value through the development of new products and application areas that improve climate benefit and resource efficiency through the use of wood-based products.

In addition to the development of existing product areas, innovation is also carried out to generate higher product values from the production units' side streams, such as ash, sludge and bark. SCA's business areas are responsible for their own innovation work, with the support of central resources. Projects for the company's business areas are conducted at the SCA R&D Centre, which is the company's central unit for such activities.

One example in recent years was the launch of contorta as a third type of wood for wood products where homogeneity and a high proportion of fresh knots are important properties. Through the development of a more precise identification of the properties of different forest holdings, contorta has become a type of wood used for long-lived products. Another example is a new digital tool that facilitates the planning of landings in the forest. The tool helps to create safe and efficient timber landings that take into account several factors that affect the suitability of a landing, such as its proximity to water or areas of conservation or cultural importance.

Life cycle perspective

One important tool in SCA's corporate responsibility work is the Resource Management System (RMS). This system monitors resource consumption and environmental impact for production facilities, transportation of raw materials and finished products.

Using life cycle assessments, the climate and environmental impact of the SCA's products can be calculated and evaluated. Calculations show that today's products already have a small carbon footprint. The greatest climate effect is achieved by using the products to replace other products with a larger carbon footprint. Using life cycle assessments, the company's contribution to customers' carbon footprint can be evaluated and reduced.

Product safety

SCA strives to ensure safe and high-quality products and services for its customers and consumers, produced and delivered with respect for people and the environment. Products must be safe for the user and for the environment and meet the customers' and authorities' product safety requirements. In product and process development, the precautionary principle is used.

Raw materials and chemicals used in the products or in the company's operations are continuously assessed and SCA's Supplier Standard sets high demands on the product safety of input goods. Based on available knowledge, products are identified that are subject to substitution requirements. The company is working together with suppliers to try to replace these. The work is coordinated through the Group's Chemicals Management Network.

Raw materials

The foundation for SCA's products is fresh wood fiber, which accounts for approximately 95% of the company's raw material. In addition, smaller quantities of recovered fiber and a small amount of inorganic material in the form of calcium carbonate are used in the manufacture of various paper products. The company has very good control of the origin of raw material as almost all wood raw material comes from the local area in northern Sweden and the degree of self-sufficiency is very high. Approximately 60% (58) of wood raw material used is sourced from SCA's own forest and own sawmills. In addition to raw materials, input goods are also used in the form of various chemicals.

Raw material consumption (total for Group)

Raw materials	2024	2023
Wood and sawmill chips	93%	93%
Recovered fiber	7%	7%
Inorganic material	<0.5%	<0.5%
Organic fossil material	0%	0%

Recovered fiber

Kraftliner is a fresh fiber-based product mainly used in the outer, smooth layers of corrugated board boxes. In addition to fresh fiber, small amounts of carefully selected recovered fiber are used. Kraftliner is used in packaging for very demanding applications, for example packaging for long transport distances, heavy goods, humid conditions or with special requirements for purity. Since fibers cannot be recovered an infinite number of times, a continuous inflow of fresh fiber is needed. Fresh fiber from sustainably managed forests is renewable and recyclable and together with recovered fiber these contribute to a circular ecosystem.

Waste and side streams

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 our own operations or with an external party.

By-products and side streams are utilized as far as possible and solid waste, primarily in the form of bio ash, sludge, organic waste and plastic, is mainly recycled through use as raw material in other processes, as building materials or for energy recovery. The company's target is that by 2030 all non-hazardous waste is to be recycled as efficiently as possible. About 96% of the total waste volume is currently recycled. The company is continuing its work to optimize value creation and processing levels for the recycled waste and to lower handling costs for the remaining waste through reduced volume and improved efficiency.

The company also strives to achieve greater circularity by working with partners to re-use and recycle end-of-life electronics, such as computers and displays. A minor share of the total waste is hazardous waste, such as waste oil, strip lights and batteries. Hazardous waste is sent to authorized subcontractors using approved transport companies. This waste is not included in the waste target above.

Environmental data

The table shows environmental data for SCA's industrial facilities, where SCA's holding is at least 50%. When energy is supplied to an external facility, air emissions are reduced in the report in relation to the energy amount delivered.

		Total SCA			Wood		Pulp		Containerboard		Renewable Energy	
		2024	2023	2022	2024	2023	2024	2023	2024	2023	2024	2023
PRODUCTION												
Paper, pulp and pellets[1]	ktonnes	2,099	2,004	1,849	0	0	1,000	972	881	852	219	180
Solid-wood products	1,000m³	2,132	1,883	2,112	2,132	1,883[2]		0		0		0
ENERGY CONSUMPTION												
Electricity												
Co-generation	GWh	762	921	1,012	0	0	573	671	189	251	0	0
Grid supply	GWh	1,206	997	618	146	131	446	318[2]	580	515	34	31
TOTAL ELECTRICITY	GWh	**1,968**	**1,918**	**1,631**	**146**	**131**	**1,019**	**989**	**769**	**766**	**34**	**31**
Fuel												
Biofuel	GWh	8,913	8,940	8,843	484	437	5,379	5,393	2,924	3,001[3]	126	108
Fossil fuel	GWh	314	392	402	20	18[3]	130	243	163	131[3]	1	1
Electric boilers	GWh	48	48	21	0	0	29	16	19	32[3]	0	0
TOTAL FUEL	GWh	**9,275**	**9,380**	**9,266**	**504**	**454**	**5,538**	**5,653**	**3,106**	**3,164**	**127**	**109**
of which co-generation	GWh	1,526	1,949	2,298	0	0	1,315	1,667	211	283	0	0
Heat												
Purchased district heating	GWh	140	129	133	140	129	0	0	0	0	0	0
TOTAL HEATING	GWh	140	129	133	140	129	0	0	0	0	0	0
EMISSIONS												
To air												
NO_x as NO_2	tonnes	2,052	2,005	2,032	84	76	1,264	1,238	704	692	0	0
SO_2	tonnes	228	277	265	2	2	75	115	151	160	0	0
Dust	tonnes	195	166	236	19	17	115	83	59	64	3	1
CO_2 fossil	ktonnes	99	110	113	5	5	47	68	46	36[3]	0	0
CO_2 fossil, grid electricity	ktonnes	8	11	6	1	1	3	4[2]	4	6	0	0
CO_2 fossil, purchased heating	ktonnes	18	22	30	18	22	0	0	0	0	0	0
CO_2 biogenic	ktonnes	3,296	3,341	3,267	180	164	1,987	2,027	1,082	1,109	48	41
To water												
COD	tonnes	15,837	16,704	16,549	47	25	12,416	13,065	3,374	3,614	0	0
BOD	tonnes	1,087	1,017	3,529	64	55	528	446	496	515	0	0
Suspended solids	tonnes	1,530	1,605	2,104	0	0	795	1,002	733	602	2	2
AOX	tonnes	42	35	35	0	0	37	30	5	5	0	0
Phosphorous (P)	tonnes	32	32	25	1	1	16	17	16	14	0	0
Nitrogen (N)	tonnes	335	345	266	3	2	221	241	111	102	0	0
Total water usage[4]	Mm³	126	122	123	0	0	90	86	35	35	1	1
Wastewater (process water)	Mm³	40	40	37	0	0	25	26	15	14	0	0
Solid waste[5]												
Landfill	tonnes	5,096	3,820	5,688	2	16	114	127	4,842	3,578	138	99
Recovery	tonnes	134,044	148,469	148,526	4,358	4,960	83,776	96,725	45,461	46,494	449	289
Hazardous waste	tonnes	904	1,273	2,562	138	312	399	685	367	269	0	7
Emissions from transportation[6]												
NO_x as NO_2	tonnes	4,802	5,512	4,212								
SO_2	tonnes	431	520	362								

[1] As of 2024, the production of pellets at sawmills is reported in Renewable Energy.
[2] Correction of minor input error from 2023. No impact on operations.
[3] Incorrect double counting of the second quarter for the Munksund paper mill for 2023, which also affected the Munksund sawmill. Also impacted fossil emissions. This has been corrected. The double counting had no effect on operations.
[4] Total water usage refers to cooling and process water.
[5] Previously, construction waste was reported separately. As of 2024, it is included in the reporting of solid waste. Previous years have been restated.
[6] Refers to all inbound transportation of raw materials and outbound transportation of finished products to customers.

AOX Absorbable organic halogens
CO_2 Carbon dioxide
COD Chemical oxygen demand
BOD Biochemical oxygen demand
NO_2 Nitrogen dioxide
NO_X Nitrogen oxides
SO_2 Sulfur dioxide

Workers in the value chain

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 (mechanical, electrical and automation, scaffolding), transport services, consulting services and production of input goods. Through choice of suppliers and by making demands on suppliers, SCA can contribute to a positive development in terms of respect for human rights, working conditions and environmental impact in the value chain.

The risks identified for employees in the value chain can result if suppliers do not respect stipulated applicable values and legislation. This can impact working conditions or health and safety in the value chain outside the company's control. Furthermore, it may be difficult to gain full insight into current conditions as the value chain consists of sub-suppliers on several levels.

Measures to minimize negative impacts

SCA works in various ways to minimize the risk that working conditions and health and safety in the value chain do not comply with the company's values. The company has processes to review and approve suppliers and business partners before agreements are signed. The agreement also stipulates requirements for compliance with SCA's Supplier Standard, which is based on SCA's Code of Conduct. See more under the section entitled Business conduct (G1).

On the Swedish market, social security and fair salaries are covered by Swedish law and applicable collective agreements. This reduces the risk of negative impacts.

When work is carried out on SCA sites, extra emphasis is placed on safety regulations and risk assessments. Safety inspections or similar are carried out on site to minimize the risk that accidents occur. Accident statistics for contractors are reported together with outcomes for own workforce, see section S1-14 – Health and safety metrics.

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. 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.

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 operations, including PEFC's supplier audits. Almost 7,000 (5,800) follow-ups were carried out in the field in 2024.

SCA has agreements with a large number of suppliers. 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. 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 with an increase of about 200 people during the summer season. In the Baltic region, nearly 200 contractors work with silviculture, harvesting and transportation for SCA.

Affected communities

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. 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 by Sundsvall Municipality, and will form an important transport hub.

Vibrant local communities

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.

SCA sponsors approximately 120 associations in its operational area, from southern Norrland to the north. Partnerships with voluntary associations help to strengthen local communities and foster sustainable social development, where residents enjoy a sense of well-being and rewarding leisure time. 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. A large share of the company's employees, and many others living in the region, enjoy watching high-level sport. Elite sport also offers role models and motivation for our young people, so that more people can discover the joy of exercise.

SCA contributes to the local economy in the municipalities in northern Sweden where the company conducts operations. Most of SCA's almost 3,400 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 SCA builds contribute toward ecotourism, hunting and fishing. Refer to Economic value creation on page 11.

Value creation in and from the forest

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 already used today through the integrated value chain and work is ongoing to develop new products and business ideas based on the forest value chain. 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 by coaching newly established companies in forestry and through the Forest Business Accelerator program. The latter is a collaboration with IBM, RISE Processum and BizMaker and the purpose is to create new business opportunities and a more sustainable society by uniting forestry, digitalization and entrepreneurship to benefit business and innovation in the value chain. The program has been running for almost ten years and to date, almost 40 startups linked to the forest industry and sustainable development have taken part in the program. In 2024, five companies took part. The business ideas have been to develop new applications for side streams from forest industry processes and to use new technologies to reduce emissions. Some companies from previous years' programs have taken the step to a commercial scale, for example the production of fossil-free fertilizer.

SCA is participating 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 interesting research and innovation projects in the region and to attracting skilled research talent.

Discussion and partnership with reindeer herders

Some 30 Sami communities have legal and customary rights to herd reindeer on SCA's land. For some time now, SCA has offered a joint collaborative process that allows reindeer herders to present their long-term needs through their reindeer husbandry plans. The aim is to create forms of collaboration that allow forestry and reindeer herding to be planned over longer periods and over larger areas (landscape planning). This process is based on FSC principles and criteria.

During the year, SCA has invested great care and considerable resources in collaborating with reindeer herders. We have a constructive and fruitful planning process with many Sami communities that allows us to adapt our actions to better meet the needs of reindeer herders. SCA continuously evaluates how the consultation and collaboration process can be streamlined.

The exchange of information before a physical or digital planning meeting takes place via the web platform samplanering.se. Information on planned forestry operations is shared and reindeer herders can also provide feedback directly via the platform. The main issues addressed include the timing for harvesting, the choice of soil scarification methods and the choice of tree species for reforestation. In addition, representatives from the Sami communities often have special requests concerning clearing, thinning, biofuel management and alternative forms of harvesting in areas that are particularly important for reindeer herders.

The Contorta pine, which is part of SCA's strategy for sustainable forestry, has a high growth rate that contributes to increased climate benefit but often form dense stands, which can cause problems for reindeer herding. Measures in existing contorta pine stands that can facilitate reindeer herding are, therefore, also discussed.

In 2024, 91 (83) meetings for participatory planning took place with 21 (21) Sami communities, with approximately 5,100 (4,800) forest holdings being addressed. In the years ahead, the pace of planning will need to increase to establish sufficient forward planning in the process, which will offer more opportunities for adaptations to reindeer herding and the long-term planning of forest operations.

Signatures

The Board's assessment is that the dividend to shareholders in the proposed amount, in accordance with Note PC15, see page 139, 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 approved for publication by the Board of Directors on February 27, 2025. 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 April 4, 2025.

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.

The Annual Report also contains the Group's and the Parent Company's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act, Chapter 6, see page 66, and reporting in accordance with four selected ESRS standards, see page 157.

Sundsvall, February 27, 2025

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 submitted on March 3, 2025

Ernst & Young AB

Fredrik Norrman
Authorized Public Accountant
Auditor in charge

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 2024 except for the corporate governance statement on pages 76–87 and the sustainability report defined on page 66. The annual accounts and consolidated accounts of the company are included on pages 62–139 and page 188 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of December 31, 2024 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, 2024 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 76–87 and the sustainability report on page 66. 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, 2024, the forest (biological assets) has been disclosed at a value of SEK 60,355 million and land assets at a value of SEK 46,974 million, totaling SEK 107,329 million which is 71.9% 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 judgmental areas include the validity of market statistics, its areas and period, calculated timber volumes, discount rates and future cash flows. Based on the above, we consider 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. • 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 assessed the reliability of previous forecasts by comparing to historical outcome. • Assessed the group's sensitivity analysis (parameters and arithmetically) 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 1–61, 140–187 and 194–198. The remuneration report for the financial year 2024 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 2024 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 (publ) for the financial year 2024.

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 (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 76–87 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.

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on page 66 with references, and that it is prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report 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 opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, with Fredrik Norrman as auditor-in-charge, was appointed auditor of Svenska Cellulosa Aktiebolaget AB by the general meeting of the shareholders on March 22nd, 2024 and has been the company's auditor since 2016.

Stockholm March 3, 2025

Ernst & Young AB

Fredrik Norrman
Authorized Public Accountant

Limited Assurance Report on the Sustainability Report

Auditor's Limited Assurance Report on Svenska Cellulosa Aktiebolaget SCA's Sustainability Report in accordance with selected ESRS standards

To Svenska Cellulosa Aktiebolaget SCA, corporate, identity number 556012-6293

Introduction
We have been engaged by the Board of Directors of Svenska Cellulosa Aktiebolaget SCA to undertake a limited assurance engagement of the information specified below (the "Subject Matter") in Svenska Cellulosa Aktiebolaget SCA's Sustainability Report prepared in accordance with selected ESRS-standards for the year 2024. The company has defined the scope of Subject Matters on page 157 in this document.

The sustainability information reviewed is limited to the following disclosures according to the European Sustainability Reporting Standards, ESRS:

- ESRS E1 Climate Change (pp. 159–163)
- ESRS E4 Biodiversity and Ecosystems (pp. 164–170)
- ESRS S1 Own Workforce (pp. 171–176)
- ESRS G1 Business Conduct (pp. 177–181)

Our assurance does not extend to any information in Svenska Cellulosa Aktiebolaget SCA's Annual Report other than the scope described in the previous paragraph; subsequently, we do not express a conclusion on this information.

Responsibilities of the Board of Directors and the Executive Management for the Sustainability Report
The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on the page 152 in the Annual Report, and consists of the parts of the European Sustainability Reporting Standards (ESRS), published by EFRAG, that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control relevant to the preparation of a Subject Matter that is free from material misstatements, whether due to fraud or error.

Responsibilities of the Auditor
Our responsibility is to express a conclusion on the Subject Matter based on the limited assurance procedures we have performed. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of historical financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards.

The audit firm applies ISQM 1 (International Standard on Quality Management 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Svenska Cellulosa Aktiebolaget SCA in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

Inherent limitations in preparing the Sustainability report
In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Executive Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by Svenska Cellulosa Aktiebolaget SCA. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Other matter
The comparative information included in the sustainability report has, in some cases, been subject to our limited assurance from last year, and the auditor's limited assurance report according to RevR 6, issued on February 26, 2024. Other comparative figures in the sustainability report for the year 2023 have not been subject to review.

Conclusion
Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report in accordance with selected ESRS standards is not prepared, in all material respects, in accordance with the criteria defined above by the Board of Directors and Executive Management.

Stockholm March 3, 2025

Ernst & Young AB

Fredrik Norrman
Auktoriserad revisor

Financial multi-year summary

SEKm	2024	2023	2022	2021	2020	2019	2018
INCOME STATEMENT							
Net sales	20,232	18,081	20,794	18,822	18,410	19,591	18,755
EBITDA	**7,143**	**6,807**	**10,194**	**9,109**	**4,440[1)]**	**5,319[2)]**	**5,252**
Forest	3,531	3,511	2,602	2,601	2,213	1,740	1,394
Wood	927	550	1,945	2,895	657	789	904
Pulp	1,680	1,213	2,883	2,010	614	983	709
Containerboard	932	1,212	2,792	1,708	1,190	2,064	2,468
Renewable Energy	451	690	355	248	-	-	-
Other	–378	–369	–383	–353	–234[1)]	–257[2)]	–223
Depreciation	–2,116	–1,950	–1,552	–1,475	–1,601[1)]	–1,616[2)]	–1,250
Operating profit	**5,027**	**4,857**	**8,642**	**7,634**	**2,839[1)]**	**3,703[2)]**	**4,002**
Financial items	–506	–414	–39	–107	–117	–126	–29
Profit before tax	**4,521**	**4,443**	**8,603**	**7,527**	**2,722[1)]**	**3,577[2)]**	**3,973**
Income taxes	–882	–818	–1,782	–1,426	–483[1)]	–730[2)]	–314
Profit for the period	**3,639**	**3,625**	**6,821**	**6,101**	**2,239[1)]**	**2,847[2)]**	**3,659**
BALANCE SHEET							
Forest assets	107,329	107,481	97,882	84,497	74,900	69,682	33,065
Intangible and other tangible fixed assets	26,837	26,613	26,091	22,877	19,690	19,237	17,841
Working capital	4,768	4,321	4,138	2,823	2,759	3,748	3,735
Current tax and deferred tax	–24,267	–24,233	–22,315	–19,130	–16,646	–15,672	–8,370
Other capital employed	253	868	551	–260	–869	112	–189
Capital employed	**114,920**	**115,050**	**106,347**	**90,807**	**79,834**	**77,107**	**46,082**
Equity	104,035	104,284	96,358	83,055	72,163	68,510	39,062
Net debt	10,885	10,766	9,989	7,752	7,671	8,597	7,020
Capital employed	**114,920**	**115,050**	**106,347**	**90,807**	**79,834**	**77,107**	**46,082**
CASH FLOW STATEMENT							
Operating cash flow	3,187	2,985	5,685	5,216	2,688	2,922	2,751
Cash flow before dividend	1,578	585	–320	876	723	145	528
Current capital expenditures, net	–1,109[3)]	–1,603	–1,436	–1,236	–1,224	–1,132	–1,002
Strategic capital expenditures in non-current assets	–689	–1,510	–4,351	–3,723	–1,414	–1,256	–1,967
KEY FIGURES							
EBITDA margin	35.3%	37.6%	49.0%	48.4%	24.1%[1)]	27.2%[2)]	28.0%
Operating margin	24.8%	26.9%	41.6%	40.6%	15.4%[1)]	18.9%[2)]	21.3%
Industrial return on capital employed	7.3%	7.3%	40.1%	33.0%	5.4%[1)]	11.9%	20.1%
Return on capital employed	4.4%	4.5%	8.9%	9.0%	3.6%[1)]	6.9%[2)]	9.0%
Net debt/EBITDA	1.5x	1.6x	1.0x	0.9x	1.7x[1)]	1.6x[2)]	1.3x
Debt/equity ratio	10.5%	10.3%	10.4%	9.3%	10.6%	12.5%	18.0%
Data per share							
Earnings per share, SEK	5.18	5.23	9.61	8.69	3.19[1)]	4.05[2)]	5.21
Dividend per share, SEK	3.00[4)]	2.75	2.50	3.25	2.00	0.00	1.75

[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 –187m from new, remeasured and terminated leases.
[4)] Board of Directors' proposal.

Non-financial multi-year summary

		2024	2023	2022	2021	2020	2019	2018
People and value-based culture	Number trained in SCA's Code of Conduct	97%	98%	97%	97%	96%	96%	90%
	Percentage of contract suppliers that have approved SCA's Supplier Standard	98%	98%	99%	98%	94%	93%	94%
	Number of confirmed breaches of SCA's Code of Conduct	5	5	5	5	7	8	2
	Average number of employees[1]	3,456	3,413	3,313	3,577	4,196	4,253	4,216
	Share of women in the Group[2]	24%	24%	23%	22%	21%	19%	19%
	Absence due to illness total	3.1%	3.5%	3.7%	3.0%	3.9%	3.1%	3.5%
	Workplace accident Frequency Rate, LTA per million hours worked	3.1	4.3	3.1	5.8	5.6	7.4	9.1
	Preventive activities – number of risk and behavior-based safety observations	26,980	26,142	23,242	17,477	18,079	13,964	11,290
Profitable growth	Total shareholder return (TSR)	–5%	17%	–16%	14%	51%	41%	–17%
	Credit rating	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade	Investment Grade
Fossil-free world	Climate benefit[3], million tCO_2eq	12.3	12.8	13.7				
	Uptake of CO_2 through net growth in SCA's productive forests, million tonnes of CO_2	3.9	4.5	5.4	5.4	4.4	5.4	4.0
	Fossil emissions in the value chain, net (Scope 1-2-3), million tonnes CO_2eq[4]	0.83	0.82	0.80	0.79	0.96	1.01	
	Fossil-free production (emissions from used fuel)	96%	95%	95%	96%	95%	95%	93%
	Specific fossil emissions from transportation in the value chain, g of CO_2eq per tonne-kms transport work performed[5]	17.5	16.3	18.0	18.6	19.0	17.9	20.7
	Installed capacity of wind power on SCA's land, TWh per year	9.7	9.0	7.2	6.5	5.4	4.4	2.6
Valuable forests	Standing volume in SCA's forests[6], million m^3fo	274	271	267	261	257	252	245
	Wood raw material from responsibly managed forests, percentage of chain of custody certified wood raw material[7]	100%	100%	100%	100%	100%	100%	100%
	Wood raw material from responsibly managed forests, percentage of wood raw material from certified forestry or harvested with SCA retention[8]	75%	75%	69%	72%	81%	67%	71%
	Replanting, millions of seedlings planted in SCA's forests	47	45	40	67	46	35	36
	Nature conservation area[9], % of productive forest land	22.4%	22.9%	25.2%	24.5%	22.5%	21.0%	20.0%
	Number of meetings for participatory planning with reindeer-herding Sami communities	91	83	37	80	120	79	69
Efficient use of resources	Wood raw material used, million m^3 sub	10.9	10.3	10.4	10.7	11.3	11.2	9.6
	Emissions to air of nitrogen compounds, tonnes of NO_2	2,052	2,005	2,032	2,180	2,106	1,995	1,831
	Emissions to water of suspended solids, tonnes	1,530	1,605	2,104	2,353	2,628	1,873	1,892
	Share of recycling of non-hazardous waste	96.3%	97.5%	96.3%	97.5%	96.0%	96.7%	95.3%
Vibrant communities	Contribute toward vibrant local communities[10]	80%	75%	61%	61%	58%	51%	-
	Support civil society in sport, culture and other areas, number of central agreements	123	168	149	-	-	-	-

1) In 2020, the construction material operations in the UK were divested, publication paper operations in SCA were discontinued in 2021.
2) Refers to employees on December 31.
3) Climate benefit calculated based on the components of ISO 13391/FDIS 1339 parts 1 to 3, version 2025.
4) Emissions are reported net. 2019–2023 have been restated due to an expansion of the scope of reporting.
5) The reported outcome for 2017–2021 was erroneously specified in previous annual reports as CO_2 and has been adjusted to CO_2eq.
6) New forest survey in 2019. Holding in the Baltic region included since 2019.
7) Wood raw material that at least complies with FSC's Controlled Wood Standard.
8) SCA retention pertains to harvesting where the on-site retention corresponds to FSC's requirements for certified forestry.
9) Nature conservation area refers to voluntary set-asides and basic retention in harvesting operations. Expanded retention is not included.
10) Share of SCA's economic value creation paid to suppliers and employees.

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.

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).

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.

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.

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 ISO 13391/FDIS 13391 parts 1 to 3 version 2025. 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. If the final standard deviates from the final draft (FDIS), FDIS 13391 should be applied.

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 are 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, April 4, 2025, 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 27, 2025, and give notice by Monday, March 31, 2025.

Notification may be given in any of the following manners:

- On the company's website 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 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 in original, 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 31, 2025.

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 27, 2025, 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 31, 2025.

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 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 31, 2025 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 GeneralMeeting-Service@euroclear.com. Shareholders may also cast their votes electronically through verification with BankID via Euroclear Sweden AB's website https://anmalan.vpc.se/EuroclearProxy/. To be considered, such electronic votes must be submitted no later than Monday, March 31, 2025.

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 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 27, 2025. 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 31, 2025, 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 sca.com.

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