

Sustainability governance

The main purpose of all governance at SCA is to guarantee the Group’s commitments to its stakeholders: shareholders, customers, employees, suppliers, lenders and communities.

Sustainability governance

SCA’s Executive Management Team bears the overall responsibility for the control of SCA’s business in the sustainability field.

SCA has a Group Function in charge of sustainability, led by the Senior Vice President Group Sustainability, who reports to the CEO and is a member of the Executive Management Team. Apart from social and environmental affairs, the function is also responsible for SCA’s public affairs and its compliance function. In close collaboration with the business unit presidents, the approved strategy and objectives are broken down into specific targets and activities to ensure compliance with the Group’s objectives and business plans.

The Environmental Committee and the Social Responsibility Committee draft proposals for policies and principles for governing the sustainability work, as well as objectives and action programs at Group level. They also coordinate and

follow up the Group’s initiatives and objectives in the environmental and social area. The Social Responsibility Committee is responsible for preparing documentation regarding management of human rights. Conclusions and proposed actions are reported to SCA’s Compliance Council and the President and Board of Directors, who approve the strategic priorities and objectives. The committees include members of all business units and representatives of the Sustainability, Human Resources, Communications and Legal Group Functions.

The Compliance Council consists of SCA’s CEO (attends twice a year), SVP Group Human Resources, SVP Group Sustainability (chair), General Counsel, VP Compliance and Ethics, VP Internal Audit and business unit presidents by invitation. The Compliance Council will ensure an effective SCA Group compliance framework and program and secure a systematic approach to implementation. It oversees

implementation of and compliance with SCA’s Code of Conduct and other Group policies.

Responsibility for implementation rests with the operational organization. A number of networks operate horizontally across SCA’s different business units to guarantee a consistent approach.

SCA Group networks

Water management network: Establishes the Group’s aspiration level for reductions in emissions and water usage. The network also analyzes the impact of the EU’s Water Framework Directive on SCA’s operations.

FSC® network: Disseminates information on responsible forest management throughout the organization, and coordinates the Group’s position and activities in relation to the FSC.

Corporate Governance at SCA



RMS network: Compiles information and makes calculations and presentations relating to resource use and environmental data.

Chemicals management network: Leads and supports development for harmonized chemical procedures and proposes group policies, priorities and objectives.

ESAVE network: Coordinates the Group's projects aimed at reducing SCA's energy consumption and environmental impact.

Energy network: Identifies cost-efficient solutions and synergies in connection with energy sourcing. The network also handles emissions trading.

Public Affairs network: Leads and coordinates the work aimed at influencing legislation, decisionmakers and stakeholders in prioritized areas with potential impact on SCA's operations.

Health and Safety network: Proposes goals and activities, follows up initiatives and highlights health and safety best practices.

Supplier Code of Conduct network: Identifies ethical and social supply chain risks.

Monitoring

In addition to being reviewed by SCA's external auditors, its operations are subject to external reviews and monitoring by, among others, the Swedish Financial Supervisory Authority and Nasdaq Stockholm. Life cycle assessments are another example of third-party assessments.

SCA's own control systems include segregation of duties in critical processes and defined management responsibilities with regard to internal control. There is also a separate internal audit function at SCA that works to evaluate and improve the effectiveness of SCA's governance processes, risk management and internal control. SCA's Internal Audit organization contributes to the maintenance of high standards of business practice and is involved in

the monitoring of Code of Conduct compliance through such activities as Code of Conduct audits at manufacturing sites and Business Practice audits. To support its work, the Internal Audit unit has a number of steering documents and policies.

Risk and risk management

SCA is exposed to various risks with a greater or lesser potential impact on the Group. The responsibility for long-term and overall management of material risks follows the company's delegation scheme, from the Board to the President, and from the President to the business unit presidents.

A description of the most significant risks that impact SCA's ability to achieve its established targets and its risk management is presented on pages 76–81 of the 2016 Annual Report.

Corporate Governance Report

The complete Corporate Governance Report is available on SCA's website www.sca.com and in the 2016 Annual Report.

SCA's sustainability governance



The Resource Management System, RMS

SCA operates an extensive system for gathering and presenting data for individual production facilities and entire business units. The Resource Management System (RMS) allows SCA to analyze data, describing how the company uses energy, water, transport and raw materials, and to monitor waste and emissions levels.

The RMS data is used for internal control and monitoring, external benchmarking and as a tool for evaluating acquisitions and major investments. This year's RMS data includes two new tissue plants. One tissue plant and three personal care plants were excluded from the data.

Resources

This section describes SCA's use of raw materials, water, energy and transport in 2016.

Raw materials

A typical SCA product is made from various types of wood fiber. It also contains small amounts of inorganic and fossil organic materials.

Renewable raw materials (fresh fiber and recycled fiber) account for the largest share of the material used in an average SCA product. Inorganic materials (kaolin clay and calcium carbonate) are used as filler and coating pigment in certain types of paper in order to satisfy high customer quality requirements. Synthetic materials are used in highly absorbent hygiene products to improve quality and function. The

diagram to the right shows the raw material distribution of SCA's products.

Water

SCA's water supply is presented in the table "Raw materials, energy and emissions". The figures stated are totals for surface water, groundwater and municipal water systems. SCA's total water intake amounted to 216 Mm³.

Energy

Energy use includes purchased energy (heating, electricity and fuel) supplied to production units, energy generated from wood, liquor, bark, sludge and waste paper, and electricity generated on site. A large portion of the energy used by SCA comes from the incineration of wood residuals and from on-site co-generation of electricity. The energy data figures stated therefore include both a fuel component and an electricity component.

Any excess electricity produced at an SCA facility that is not used internally is supplied to

the national grid. In 2016, SCA delivered 33.8 GWh of electricity to the national grid.

SCA supplies secondary heat derived from effluent hot water to district heating systems, mainly in Sweden, which is an effective way of saving energy. In 2016, SCA delivered heat to district heating systems equivalent to 47,142 cubic meters of fuel oil.

Transport

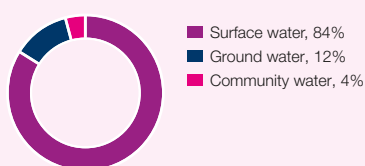
Raw materials are transported to SCA's production plants and finished products are delivered to SCA's customers. SCA uses external suppliers for most of its transportation needs. SCA's use of transportation is equivalent to 30.3 billion ton-kilometers. Sea freight accounts for the greatest portion of SCA's transport and the remainder consists of road and rail. Transportation of SCA's raw materials and products uses the equivalent of 11,852 TJ of fuel and electricity.

Transport work declined 4% compared with 2015, mainly due to the closure of a paper machine at the Ortviken mill in early 2016.

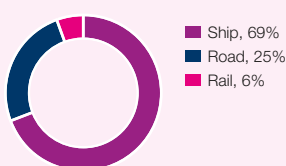
Emissions

The company's total emissions are determined by fuel consumption, which in turn is determined by the level of production. Changes in production volumes over the past few years is measured in tons and cubic meters. The SCA Group's emissions are shown in the tables that present Group emissions in 2014, 2015 and 2016.

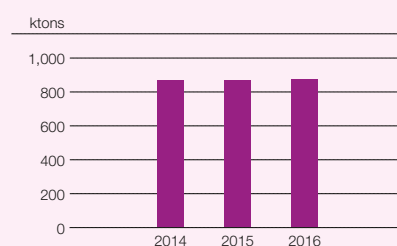
Distribution of water supply



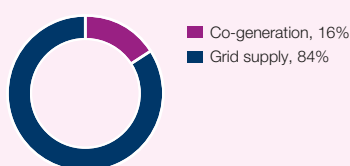
Distribution of transport usage



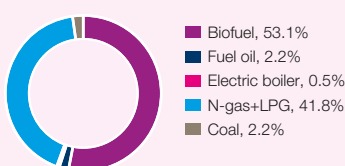
Emissions from transport, CO₂



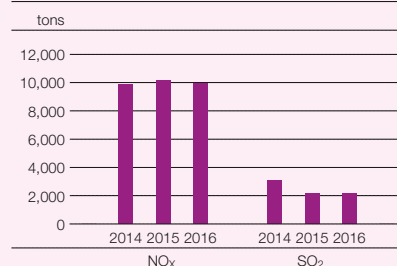
Distribution of electricity supply



Distribution of fuel supply



Emissions from transport, NO_x and SO₂



Emissions to air

Air emissions comprise emissions from all combustion units at SCA's production sites, including fossil fuel and biofuel emissions and emissions from purchased thermal energy. When energy (primarily thermal energy and/or electricity) is supplied to an external facility, air emissions are reduced in relation to the energy amount delivered and the reduction is distributed among SCA's main products.

Three chemical compounds are measured and reported in relation to air emissions: NO_x, SO₂ and fossil CO₂.

SCA uses Group-wide established procedures and principles for calculating RMS data so as to create comparability.

CO₂ emissions from SCA's use of fossil fuels corresponded to 1,672 ktons and purchased electricity to 1,451 ktons during the year.

The increase in SO₂ was due to the acquisition of North American tissue company Wausau and the expansion investment in the Östrand pulp mill in Sweden.

Air emissions from transport

A large portion of SCA's air emissions is generated by transport, rather than the company's production activities. Transport emissions are not included in the table "Raw materials, energy, and emissions" on page 58, but are presented in the diagrams on page 56.

Emissions to water

SCA's effluent water is divided into cooling water and process water. Cooling water has simply been heated and is not contaminated in any way. The total volume of discharged process water is 116 Mm³. This water is treated using methods similar to those employed at municipal wastewater treatment facilities. The figures for 2016 refer to process water emissions.

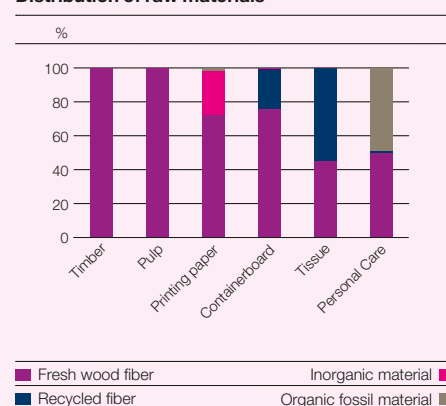
The emissions to water stated in the tables comprise COD, BOD, suspended solids, AOX, P and N. Measurement methods differ in some respects.

During the year, SCA's emissions to water (COD, BOD, suspended solids and N) increased due to installation of a new water treatment plant in Munksund, Sweden, rebuilding of a biological water treatment plant in Östrand, Sweden and technical problems at the Obbola plant in Sweden.

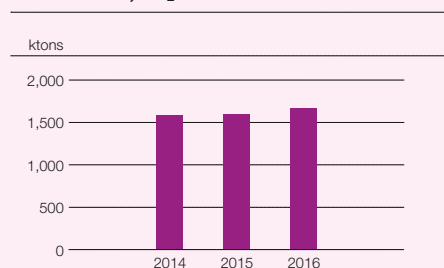
Solid waste

The solid waste reported by SCA is waste that is sent to landfill, recycled waste and hazardous waste. Recycled waste refers to materials that can be used as raw materials in other industries, such as the cement, brick-making and construction industries. The main types of recycled waste are ash, sludge, organic waste and plastics. Hazardous waste is primarily waste oil as well as organic solvents, batteries and strip lights.

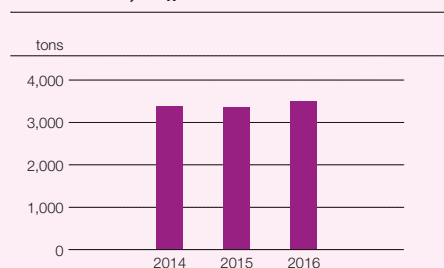
Distribution of raw materials



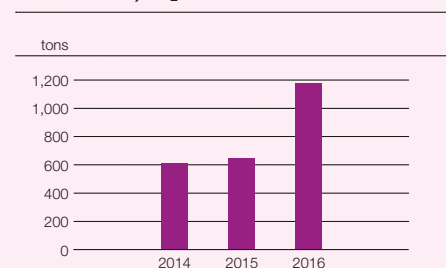
Air emissions, CO₂ fossil



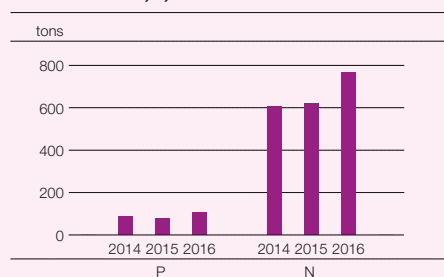
Air emissions, NO_x



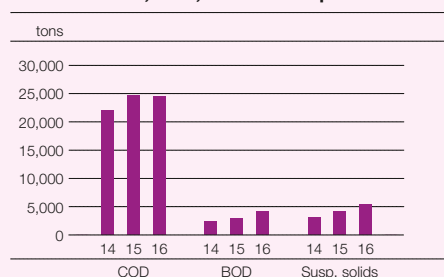
Air emissions, SO₂



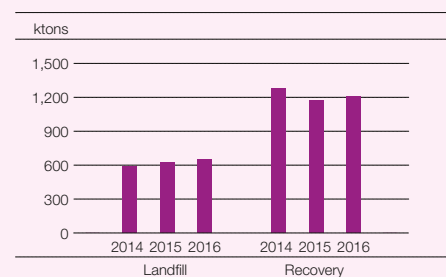
Water effluents, P, N



Water effluents, COD, BOD and suspended solids



Distribution of solid waste



Environmental data¹⁾

Raw materials, energy and discharges

		Forest Products			Tissue			Personal Care			SCA Group total		
		2016	2015	2014	2016	2015	2014	2016	2015	2014	2016	2015	2014
Production													
Paper and pulp	kton	2,206	2,358	2,351	3,200	3,097	3,033				5,407	5,455	5,384
Personal Care products	kton							642	761	708	642	761	708
Timber and solid-wood products	1,000m ³	2,139	2,075	2,187							2,139	2,075	2,187
1. Raw materials													
Wood/sawmill chips ²⁾	kton	4,183	4,302	4,710	435	460	439	0	0	0	4,618	4,761	5,150
Purchased pulp	kton	54	69	72	1,358	1,402	1,316	350	383	364	1,763	1,855	1,752
Purchased paper	kton	0	0	0	206	124	123	0.5	0	0	206	124	123
Recovered paper	kton	281	301	328	2,156	1,972	1,982	5	5	4	2,442	2,278	2,314
Inorganic material	kton	202	206	214	0	0	0	0	0	0	202	206	214
Organic fossil material	kton	12	12	13	0	0	3	340	560	404	352	572	420
Water	Mm ³	105	108	110	110	97	95	1	1	1	216	206	206
2. Energy													
Electricity													
Co-generation	GWhe	709	802	819	547	532	505	0	0	0	1,256	1,334	1,324
Grid supply	GWhe	2,306	2,496	2,485	3,822	3,687	3,733	466	518	497	6,595	6,702	6,716
Total	GWhe	3,015	3,298	3,304	4,369	4,219	4,238	466	518	497	7,850	8,036	8,039
Energy – Fuels													
Biofuel	TJfuel	27,599	27,794	25,971	4,923	4,485	4,442	0	0	0	32,523	32,279	30,414
Fossil fuel	TJfuel	1,306	1,104	1,287	26,843	26,313	25,902	318	304	305	28,467	27,721	27,494
Electric boiler and hood	TJfuel	244	235	122	88	65	55	0	0	0	332	300	177
Total	TJfuel	29,150	29,133	27,380	31,854	30,863	30,400	318	304	305	61,322	60,300	58,085
of which co-generation	TJfuel	3,006	3,393	3,466	2,236	2,238	2,843	0	0	0	5,241	5,631	6,310
3. Discharges													
To air													
NO _x as NO ₂	tons	1,544	1,698	1,592	1,942	1,649	1,772	25	23	24	3,511	3,370	3,388
SO ₂	tons	413	328	352	768	321	262	0	0	0	1,180	649	615
Dust	tons	92	175	219	139	133	140	0	0	0	232	308	358
CO ₂ fossil	ktons	93	84	99	1,560	1,491	1,465	18	17	17	1,672	1,592	1,581
CO ₂ grid electricity	ktons	24	28	31	1,304	1,199	1,284	123	156	146	1,451	1,383	1,461
CO ₂ biogenic	ktons	2,513	2,706	2,664	524	500	490	0	7	0	3,037	3,214	3,154
To water													
COD	tons	16,587	15,262	13,614	7,860	9,434	8,423	37	36	33	24,483	24,732	22,070
BOD	tons	2,942	1,678	1,293	1,156	1,326	1,158	1	1	1	4,099	3,005	2,452
Suspended solids	tons	4,038	2,853	1,891	1,323	1,282	1,231	1	1	1	5,362	4,137	3,123
AOX	tons	14	10	11	4	5	5	0	0	0	17	16	16
P	tons	60	40	47	43	35	41	1	1	0	104	76	88
N	tons	385	387	341	379	230	263	2	2	1	766	619	605
Effluent water	Mm ³	41	45	45	75	68	69	0	0	0	116	113	115
Solid waste													
Landfill	tons	3,464	11,024	8,846	641,226	608,334	574,218	3,946	1,855	2,944	648,636	621,212	586,008
Recovery	tons	108,733	121,905	143,335	1,047,121	993,370	1,078,083	55,116	60,407	53,905	1,210,970	1,175,681	1,275,324
Hazardous	tons	3,450	1,187	1,217	3,821	1,933	1,900	161	213	166	7,433	3,333	3,284
Certified volumes, SCA's main sites													
ISO 9001	%	91	91	91	77	77	77	96	82	84			
ISO 14001	%	89	85	83	86	87	85	85	90	91			

¹⁾ Figures in tables are rounded, hence some differences in totals.

²⁾ Partly internal deliveries.

Facts about the plants – Personal Care

		Buenos Aires, Argentina	Bowling Green, US	Caloto, Colombia	Drummondville, Canada	Ecatepec, Mexico	Falkenberg, Sweden	Gemerská Hôrka, Slovakia	Gennep, Netherlands	Hondouville, France	Hoogezand, Netherlands	Lasso, Ecuador	Mölnlycke, Sweden	Olawa, Poland	Ranjangaon, India	Rio Negro, Colombia	San Cristobal, Dominican Republic	Sao Paolo, Brazil	Istanbul 1, Turkey	Valls, Spain	Venkov, Russia	Istanbul 2, Turkey	Total
2016	Unit																						
Production	kton	7	20	52	35	41	76	39	87	4	92	4	3	87	2	21	1	12	6	14	19	20	642
Timber and solid-wood products	m³	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy																							
Electricity																							
Co-generation	GWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grid supply	GWh	9	25	38	26	35	47	39	40	14	77	2	4	55	2	16	0.7	4	2	8	15	6	466
Total	GWh	9	25	38	26	35	47	39	40	14	77	2	4	55	2	16	0.7	4	2	8	15	6	466
Fuels																							
Biofuel	TJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fossil fuel	TJ	0	13	1	4	0	0	26	27	100	85	0	12	9	0	1	0	0	0.3	0	33	8	318
Electric boiler and hood	TJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	TJ	0	13	1	4	0	0	26	27	100	85	0	12	9	0	1	0	0	0.3	0	33	8	318
of which co-gen.	TJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
Discharges																							
To air																							
NOS as NO ₂	tons	0.0	1	0.1	0.4	0	0	3	3	3	8	0	1	0.9	0	0.1	0	0	0	0	3	0.8	25
SO _x	tons	0.0	0	0	0	0	0	0	0	0.2	0	0	0	0	0	0	0	0	0	0	0	0	0.2
Dust	tons	0.0	0	0	0	0	0	0	0	0.3	0	0	0	0	0	0	0	0	0	0	0	0	0.3
CO ₂ fossil	kton	0.0	0.7	0.1	0.2	0	0	1	2	6	5	0	0.8	0.5	0	0.1	0	0	0	0	2	0.4	18
CO ₂ electricity	kton	3	12	7	4	16	0.5	6	19	0.6	36	0.5	0	0	2	3	0.1	0.7	1	2	6	3	123
CO ₂ bio	kton	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
To water																							
COD	tons	0	0	0	0	0	0	0	0	37	0	0	0	0	0	0	0	0	0	0	0	0	37
BOD	tons	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
Suspended solids	tons	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	1
AOX	tons	0	0	0	0	0	0	0	0	0.1	0	0	0	0	0	0	0	0	0	0	0	0	0.1
P	tons	0	0	0	0	0	0	0	0	0.6	0	0	0	0	0	0	0	0	0	0	0	0	0.6
N	tons	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	2
Effluent water	Mm³	0	0	0	0	0	0	0	0	0.4	0	0	0	0	0	0	0	0	0	0	0	0	0.4
Solid waste																							
Landfill	tons	824	9	155	0	480	467	259	5	274	0	85	0	242	287	200	28	622	0	0	11	0	3,946
Recovery	tons	782	2,604	4,332	2,882	5,800	4,366	8,970	2,661	2,005	6,235	133	280	7,562	0	2,698	100	90	694	445	1,808	672	55,116
Hazardous	tons	1	4	2	1	0	0.3	5	0.9	122	0	0	0	0	0	2	0	0	0	0.6	0	22	161

Facts about the plants – Tissue

		Barton, US	Cajica, Colombia	Flagstaff, US	Harrodsburg, US	Lasso, Ecuador	Medellin, Colombia	Menasha, US	Middletown, US	Monterrey, Mexico	Santiago, Chile	Sahagun, Mexico	South Glens Falls, US	Uruapan, Mexico	Allo, Spain
2016		Unit													
Production	kton	170	50	54	56	24	35	189	102	59	42	59	63	54	129
Timber and solid-wood products	m³	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy															
Electricity															
Internal hydro power	GWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Co-generation	GWh	0	0	0	0	0	13	0	9	0	0	0	0	36	0
Grid supply	GWh	280	87	65	106	32	38	312	142	72	68	85	101	28	152
Total	GWh	280	87	65	106	32	51	312	151	72	68	85	101	64	152
Fuels															
Biofuel	TJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fossil fuel	TJ	1,209	492	464	665	209	437	1,412	1,333	396	508	485	536	678	742
Electric boiler and hood	TJ	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	TJ	1,209	492	464	665	209	437	1,412	1,333	396	508	485	536	678	742
of which co-generation	TJ	0	0	0	0	0	99	0	0	0	0	0	0	413	0
Discharges															
To air															
NO _s as NO ₂	tons	37	18	20	29	7	0.5	64	377	11	51	21	12	49	14
SO _x	tons	0.3	0.8	0.1	0.2	15	0	0.5	467	0	0	0.1	0.1	0	0
Dust	tons	4	0	1	2	5	0	35	0	1	0	2	0	0	0
CO ₂ fossil	kton	68	28	26	37	16	24	79	110	22	41	27	30	38	42
CO ₂ electricity	kton	136	16	32	52	0	7	152	69	33	27	39	49	13	39
CO ₂ bio	kton	0	0	0	0	0	0	0	0	0	0	0	0	0	0
To water															
COD	tons	0	74	157	0	132	761	0	0	0	45	335	0	557	91
BOD	tons	103	29	13	0	38	194	38	33	0	26	84	155	62	15
Suspended solids	tons	178	43	56	0	27	180	57	139	0	14	91	68	60	20
AOX	tons	0	0	0	0	0	0	0	0	0	0	0	0	0	0.4
P	tons	6	4	0.9	0	0	0.8	7	2	0	1	3	0	1	0.8
N	tons	77	5	2	0	0	0	48	2	0	17	28	45	14	6
Effluent water	Mm³	10	0.7	0.3	0.6	0.7	0.6	8	6	0.7	2	1	3	1	2
Solid waste															
Landfill	tons	111,491	2,661	46,886	9,282	3,780	1,590	166,148	117,915	13,194	35,174	30,924	10,372	23,291	3,318
Recovery	tons	67,425	48,568	971	0	18,392	20,455	22	2,079	8,978	59	42,052	64,119	447	591
Hazardous	tons	19	7	9	3	54	170	21	7	28	0	117	1	76	320

	Altopascio, Italy	Chesterfield, UK	Colodi, Italy	Cuijk, Netherlands	Gien, France	Hondouville, France	Kostheim, Germany	Kunheim, France	Le Theil, France	Lilla Edet, Sweden	Lucca, Italy	Manchester, UK	Mannheim, Germany	Mediona, Spain	Neuss, Germany	Nokia, Finland
	25	23	35	52	137	64	136	50	65	98	118	47	313	12	113	62
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	31	0	0	0	6	0	37	0	0	3	78	0	257	0	0	0
	3	33	34	71	232	113	149	64	58	131	35	86	262	12	142	92
	34	33	34	71	237	113	186	64	58	134	112	86	519	12	142	92
	0	0	0	7	0	0	0	0	0	465	0	0	4,228	0	0	204
	391	204	229	353	1,381	479	1,359	364	363	174	1,374	556	3,541	92	625	255
	0	0	0	0	0	0	0	0	0	88	0	0	0	0	0	0
	391	204	229	359	1,381	479	1,359	364	363	727	1,374	556	7,769	92	625	459
	295	0	0	0	85	0	0	0	0	0	936	0	0	0	0	0
	35	8	14	11	29	12	54	9	20	47	132	14	581	3	20	26
	0	0	0	0	0.6	0.9	0.4	0.6	0.2	0.2	0	0	275	0	0.7	0
	0.2	0.4	0	0	2	1	0	0	0	1	0	0	58	0	0.1	0
	22	11	13	20	77	27	76	20	20	10	77	31	199	5	35	17
	0.9	13	11	33	9	5	71	3	2	2	11	35	124	3	67	14
	0	0	0	0.6	0	0	0	0	0	62	0	0	453	0	0	7
	0	0	0	42	97	196	138	98	24	231	0	0	3,913	0	89	162
	0	0	0	4	11	5	5	24	9	29	0	0	171	0	4	12
	0	0	0	5	14	8	3	11	1	37	0	0	203	0	4	19
	0	0	0	0	0.6	0.5	0.2	0.3	0.1	0.2	0	0	0.4	0	0.2	0.4
	0	0	0	0.1	1	1	0.4	0.2	0.2	0.4	0	0	8	0	0.2	0.6
	0	0	0	2	11	10	4	7	1	10	0	0	44	0	7	4
	0.2	0.4	0.2	0.8	2	2	1	0.8	0.4	2	0.2	0.8	13	0	0.8	3
	22	333	46	30	14	2,684	0	3	0	0	733	0	247	71	0	3,203
	681	30,185	215	50,324	9,072	115,278	86,618	1,684	4,934	18,293	2,092	6,266	86,834	613	4,527	63,820
	22	5	51	45	171	247	75	34	508	31	178	49	796	21	48	5

Cont. > > >

Facts about the plants – Tissue, cont.

		Oakenholt, UK	Ortmann, Austria	Prudhoe, UK	Sovetsk, Russia	Stenbert, Belgium	Stubbins, UK	Suameer, Netherlands	Svetogorsk, Russia	Valls, Spain	Witzenhausen, Germany	Total Tissue 40 sites
2016	Unit											
Production	kton	70	130	124	66	70	60	7	53	153	31	3,200
Timber and solid-wood products	m ³	0	0	0	0	0	0	0	0	0	0	0
Energy												
Electricity												
Internal hydro power	GWh	0	0	0	0	0	0	0	0	0	0	0
Co-generation	GWh	0	78	0	0	0	0	0	0	0	0	547
Grid supply	GWh	47	63	135	81	74	72	11	61	163	27	3,822
Total	GWh	47	141	135	81	74	72	11	61	163	27	4,369
Fuels												
Biofuel	TJ	0	20	0	0	0	0	0	0	0	0	4,923
Fossil fuel	TJ	458	1,296	918	502	467	495	48	356	829	168	26,843
Electric boiler and hood	TJ	0	0	0	0	0	0	0	0	0	0	88
Total	TJ	458	1,315	918	502	467	495	48	356	829	168	31,854
of which co-gen.	TJ	0	409	0	0	0	0	0	0	0	0	2,236
Discharges												
To air												
NO _x as NO ₂	tons	25	46	26	12	23	37	0.7	12	26	8	1,942
SO _x	tons	0.1	0	4	0	0.1	0	0	0	0	0	768
Dust	tons	0	0	4	12	4	0	0	4	0	0	139
CO ₂ fossil	kton	26	73	51	28	26	28	3	20	46	9	1,560
CO ₂ electricity	kton	19	0	56	31	15	30	5	23	41	13	1,304
CO ₂ bio	kton	0	1	0	0	0	0	0	0	0	0	524
To water												
COD	tons	70	250	218	61	77	0	0	0	43	0	7,860
BOD	tons	14	10	19	10	34	0	0	0	5	0	1,156
Suspended solids	tons	15	32	27	6	4	0	0	0	3	0	1,323
AOX	tons	0	0.1	0	0	0.2	0	0	0	0.1	0	4
P	tons	0.7	2	1	0.6	0.1	0	0	0	0	0	43
N	tons	12	14	6	4	2	0	0	0	0	0	379
Effluent water	Mm ³	0.5	4	3	1	0.8	1	0.2	1	0.4	0	75
Solid waste												
Landfill	tons	236	0	7,758	1,774	0	2,521	0	45,525	0	0	641,226
Recovery	tons	755	87,229	67,746	34,393	3,571	79,416	2,644	5,910	9,437	423	1,047,121
Hazardous	tons	56	45	60	20	26	53	1	1	377	65	3,821

Facts about the plants – Forest Products

														Total		
		Munksund, Sweden	Obbola, Sweden	Ortiken, Sweden	Östrand, Sweden	BioNorr, Sweden	Stugun, Sweden	BM Skandinavien, Tunadal, Sweden	Bolista, Sweden	Gällö, Sweden	Munksund, Sweden	Rundvik, Sweden	Tunadal, Sweden	Pulp and paper 4 mills	Forest business 8 mills	Forest Products
2016	Unit															
Production	kton	389	423	720	500	159	15	0	0	0	0	0	0	2,032	174	2,206
Timber and solid-wood products	1,000 m ³	0	0	0	0	0	88	71	546	306	389	306	434	0	2,139	2,139
Energy																
Electricity																
Internal hydro power	GWh	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Co-generation	GWh	175	141	66	326	0	0	0	0	0	0	0	0	709	0	709
Grid supply	GWh	180	180	1,600	165	30	9	3	42	14	26	21	35	2,126	180	2,306
Total	GWh	355	322	1,666	492	30	9	3	42	14	26	21	35	2,835	180	3,015
Fuels																
Biofuel	TJ	6,063	4,155	2,857	11,997	552	66	3	672	196	448	210	381	25,071	2,528	27,599
Fossil fuel	TJ	199	352	269	418	2	0.3	0	35	0	26	6	0.1	1,236	70	1,306
Electric boiler and hood	TJ	75	0	170	0	0	0	0	0	0	0	0	0	244	0	244
Total	TJ	6,336	4,506	3,295	12,415	554	66	3	707	196	474	216	381	26,552	2,598	29,150
of which co-gen.	TJ	738	595	298	1,374	0	0	0	0	0	0	0	0	3,006	0	3,006
Discharges																
To air																
NO _x as NO ₂	tons	340	262	185	758	0.2	7	0	55	21	5	15	6	1,544	110	1,654
SO _x	tons	127	38	31	217	0	0	0	0.8	0	9	0.2	0	413	10	423
Dust	tons	20	20	20	33	45	0	0	1	24	0.3	12	0.1	92	83	175
CO ₂ fossil	kton	15	28	19	33	0.1	0	0	3	0	2	0.5	0	93	5	99
CO ₂ electricity	kton	2	2	18	2	0.3	0.1	0	0.5	0.2	0.3	0.2	0.4	24	2	26
CO ₂ bio	kton	641	448	290	1,135	54	6	0	65	19	43	18	37	2,513	241	2,754
To water																
COD	tons	4,483	1,354	2,916	7,833	0	0	0	0	0	0	0	0	16,587	0	16,587
BOD	tons	891	147	49	1,787	0	0	0	69	0	0	0	0	2,873	69	2,942
Suspended solids	tons	1,948	557	60	1,473	0.3	0	0	0	0	0	0	0	4,037	0.3	4,038
AOX	tons	2	2	2	8	0	0	0	0	0	0	0	0	14	0	14
P	tons	23	16	2	19	0	0	0	0	0	0	0	0	60	0	60
N	tons	118	72	56	139	0	0	0	0	0	0	0	0	385	0	385
Effluent water	Mm ³	9	5	11	15	0	0	0	0	0	0	0	0	41	0	41
Solid waste																
Landfill	tons	2,876	395	0.5	118	12	5	0	0	0	58	0	0.4	3,389	75	3,464
Recovery	tons	10,924	21,189	28,068	26,606	15	80	26	2,269	597	54	18,823	83	86,787	21,946	108,733
Hazardous	tons	102	72	271	465	2,354	5	26	69	12	13	42	21	909	2,541	3,450

Social data

	2016	2015	2014	2013	2012
Average number of employees	46,171 ¹⁾	44,000 ¹⁾	44,247 ¹⁾	34,004	33,775
of whom female, %	31	31	32	28	29
Employees leaving the company	6,214	5,600	8,355	5,143	3,993
of which restructuring	312	720	1 025	–	–
of which retirement	355	211	200	–	–
Employees joining the company	8,026	5,988	7,319	4,426	6,344
Employee turnover, excluding restructuring and retirement, %	12	11	16	13	10
Age distribution, %					
–20 years	1	1	2	2	2
21–30 years	23	23	19	18	17
31–40 years	31	31	29	28	28
41–50 years	25	26	28	29	30
51–60 years	17	16	19	30	21
60+ years	3	3	3	3	2
Academic degree or similar	22	22	20	18	18
Competence development, hours per employee	19	25	22	20	17
Diversity					
Women, of total number of Board members and senior executives, %	38	35	21	21	21
Women, of total number of Board members (excl. members appointed by the employees) and senior executives, %	42	40	37	39	24
Nationalities, senior management ²⁾ , number	21	28	25	18	23
Nationalities, senior and middle management ²⁾ , number	32	42	39	41	39
Female managers, senior management ²⁾ , %	25	24	25	24	23
Female managers, senior and middle management ²⁾ , %	27	29	29	25	29
Local hiring of senior and middle management, %	85	83	78	83	81
Health and Safety³⁾					
Average headcount	29,408	28,001	28,059	28,233	27,172
Lost Time Accidents, LTA	265	360	375	461	520
Contractor Lost Time Accidents, CLTA	71	76	51	57	N/A
Days Lost due to Accidents, DLA	6,204	7,545	6,546	7,984	8,876
Accident Severity Rate, ASR	23.4	21.0	17.5	17.3	17.1
Frequency Rate, FR (LTA /1,000,000 WH)	4.6	6.3	6.7	8.7	10.0
Incident Rate, IR (LTA/200,000 WH)	0.9	1.3	1.3	1.7	2.0
Fatalities	1	0	0	0	1
Main sites certified according to OHSAS 18001, %	87	68	52	46	31
Code of Conduct					
Business practice audits	Costa Rica/Nicaragua, Germany, Greece, Italy	Mexico, Poland, Russia, Taiwan	Brazil	Czech Republic, South Korea, Spain	Hungary, Malaysia
Code of Conduct audits	Germany, India, Mexico, Spain	Mexico, Sweden, US, UK	China, Russia, Spain, Turkey	Chile, France, Mexico, Slovakia, Taiwan	Russia, US, Sweden, Poland

¹⁾ Including Vinda.

²⁾ Senior management comprises the highest level of management below the Executive Management Team.

The number varies over time due to organizational changes and consists of 110–150 managers. Middle management consists of 750–1,000 managers.

³⁾ Data for 2012, 2013 and 2014 is recalculated for acquisitions and divestments. 100% coverage for production and logistics and excluding sales offices and administration.

⁴⁾ Main sites are defined as wholly owned by SCA with 100 or more employees.

⁵⁾ 12 main sites were certified under OHSAS during 2015.

About the report

This report describes SCA's sustainability initiatives from an environmental, social and financial perspective. SCA publishes a sustainability report each year.

The Sustainability Report and the Annual Report should be viewed as a single unit in which information may be provided in either report or, where appropriate, in both. Corporate governance is an example of a subject that is referred to briefly in the Sustainability Report and a more detailed description is provided in the Annual Report's corporate governance section.

Reporting principles

The environmental and social data reported pertains to the 2016 calendar year. The figures included comply with relevant reporting and consolidation principles in accordance with the principles in the financial statements. SCA uses the global Greenhouse Gas Protocol standard for how to measure, manage and report carbon data. The figures cover the SCA Group's wholly owned subsidiaries and subsidiaries in which SCA owns at least 50% of the company. If SCA's ownership of a company is 50% or more, the entire company is included. An exception is made in the case of the Chinese company Vinda, in which SCA owns 51.4% of the votes and which was consolidated as a subsidiary in 2014. The data from Vinda includes the number of employees and their age and gender distribution. Vinda publishes an environmental, social and governance (ESG) report, which is available at www.vinda.com.

Some social data from joint ventures is not included. Code of Conduct data is one example, due to the fact that SCA and its joint ventures do not share a common code. The Colombian Familia Group, which is SCA's largest joint-venture company (refer to Note F1 in the SCA Annual Report), reports in accordance with the GRI G4 guidelines. For more information, visit www.grupofamilia.com.co.

Newly acquired businesses are integrated when they have been part of the Group for one calendar year. Wausau Paper was incorporated as of the closure of the acquisition on January 21, 2016. The historic environmental and social data of newly acquired units is included to the greatest possible extent in order to increase comparability (also refer to the section on comparability below). The data from divested units is excluded in its entirety as of the divestment date. Historic data for discontinued units is used.

When adjustments have been made compared with earlier reports, a note is appended directly beside the text or table. A main site is a

production facility that is wholly owned by SCA and that has 100 or more employees.

Data collection

Data provided in the report is compiled through various systems, primarily the Group's ABS accounting system, Resource Management System (RMS) and SCA's system for collection of social data.

Environmental data

The RMS encompasses more than 80 production sites, covering virtually the entire company's environmental impact and resource utilization from production. It includes data from manufacturing operations but not from corporate staffs, offices or joint ventures. Data from stand-alone tissue converting sites is included in the main mother reel supplying site. Each unit reports the following data to the system:

- raw material consumption
- incoming and outgoing shipments
- production volumes
- energy consumption broken down by hydro-electric power, co-generation and power from the grid
- fuel consumption broken down by biofuels, fossil fuels and electric boilers
- air emissions, including data on fossil and biogenic carbon dioxide
- water emissions
- solid waste

The data is reported both internally and externally at the mill level, business unit level and for the Group as a whole.

Social, Occupational Health & Safety (OHS) and Human Resource (HR) data

Data is provided from different internal systems and tools depending on the nature of the data. HR data resides in SCA's HR system and other qualitative data is collected in SCA's database for social data.

Comparability

Certain data is adjusted retroactively to facilitate comparisons. Figures for the preceding year are available in previous publications of SCA's Sustainability Reports. This applies for example to data encompassed by SCA's sustainability targets, such as CO₂ and health and safety.

The results of the Group's CO₂ target and water target are adjusted each year in relation to production levels. Other environmental data is reported in absolute figures.

UNGP

As of 2015, this report applies the reporting framework for the United Nations Guiding Principles on Business and Human Rights (UNGPs) and SCA has reported on the overarching aspects contained in the framework.

GRI reporting

For the ninth consecutive year, SCA has prepared its report in accordance with Global Reporting Initiative (GRI) guidelines. The 2016 report adheres to GRI G4 guidelines at Core level. Accordingly, the Report has been structured in accordance with GRI principles, meaning that the content is determined by the issues that are most material to SCA and its stakeholders, and that the content provides a complete overview of the operations. With a few exceptions, SCA reports in accordance with all GRI indicators and on a level identified as material. The identification of specific standard disclosure GRI aspects to report has been matched with SCA's materiality analysis on page 37. Any omissions or incomplete data are either commented on directly in the GRI index on pages 67–69 or on this page.

The entire Sustainability Report has been reviewed by EY. The report is aimed at specialist audiences with an interest in SCA's sustainability performance, including analysts, investors and NGOs. More detailed information about SCA's work on environmental and social issues is available at www.sca.com.

Auditor's Combined Assurance Report on the Sustainability Report of Svenska Cellulosa Aktiebolaget SCA (publ)

This is the translation of the auditor's report in Swedish.

To Svenska Cellulosa Aktiebolaget SCA (publ)

Introduction

We have been engaged by the Board of Svenska Cellulosa Aktiebolaget SCA (publ) to undertake an examination of SCA's Sustainability Report for the year 2016. The Company has defined the scope of the Sustainability Report to the pages referred to in the GRI index on the pages 67–69.

Responsibilities of the Board and Management for the Sustainability Report

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report in accordance with the applicable criteria, as explained on page 65 in the Sustainability Report, and are the parts of the Sustainability Reporting Guidelines (published by The Global Reporting Initiative, GRI) which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report 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 Sustainability Report based on the procedures we have performed. We conducted our engagement in accordance with RevR 6 Assurance of Sustainability Reports issued by FAR. The engagement includes a limited assurance engagement on the complete Sustainability Report and audit of environmental data – fossil fuels and grid supply – on page 58. The objective of an audit is to obtain reasonable assurance that the information

is free of material misstatements. A reasonable assurance engagement includes examining, on a test basis, evidence supporting the quantitative and qualitative information in the Sustainability Report. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden. Hence, the conclusion based on our limited assurance procedures does not comprise the same level of assurance as the conclusion of our reasonable assurance procedures. Since this engagement is combined, our conclusions regarding reasonable assurance and limited assurance are presented separately below.

The firm applies ISQC 1 (International Standard on Quality Control) 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.

Our procedures are based on the criteria defined by the Board of Directors and the Group 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.

Conclusions

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

In our opinion the information in the Sustainability Report which has been subject to our reasonable assurance procedures have, in all material respects, been prepared in accordance with the criteria defined by the Board of Directors and Group Management.

Stockholm, February 23, 2017

Ernst & Young AB

Hamish Mabon
Authorized Public Accountant
Auditor in charge

Outi Alestalo
Expert member of the Swedish Institute of
Authorized Public Accountants (FAR)

GRI index

SCA's 2016 Sustainability Report adheres to Global Reporting Initiative guidelines, G4 Core. The following index shows where information on the GRI indicators can be found: this Sustainability Report (SR), the Annual Report (AR), or SCA's Group website (sca.com/GRI), which contains the corresponding GRI index with direct links. This is the ninth report in which SCA applies GRI guidelines, which has been confirmed by EY.

General Standard Disclosures

	Description	Page	Comment/Omission
Strategy & Analysis			
G4-1	Statement from the CEO and the Board of Directors	SR 4–5	
Organizational Profile			
G4-3	Name of the organization	SR 72	
G4-4	Primary brands, products, and services	AR 2, 48, 54	
G4-5	Location of headquarters	SR 72	
G4-6	Countries in which operations are located	AR 120	
G4-7	Nature of ownership and legal form	AR 33–35	
G4-8	Markets served	AR 48, 54, 60–61	
G4-9	Scale of the reporting organization	SR 2–3, AR 2–3	
G4-10	Breakdown of workforce	SR 64	
G4-11	Coverage of collective bargaining agreements	SR 48	
G4-12	Description of supply chain	SR 38, 44–45	
G4-13	Significant changes during the reporting period	AR 39–40	
G4-14	Addressing the precautionary approach or principle	SR 41, 49, AR 76	
G4-15	External charters, principles or initiatives endorsed	SR 3–5	
G4-16	Memberships in associations	SR 3	
Identified Material Aspects & Boundaries			
G4-17	Report coverage of the entities in the consolidated financial statements	SR 65	
G4-18	Process for defining the report content and the aspect boundaries	SR 37	
G4-19	Material aspects identified	SR 6–7, 37	
G4-20	Aspect boundary within the organisation	SR 65, sca.com/GRI	
G4-21	Aspect boundary outside the organisation	SR 65, sca.com/GRI	
G4-22	The effect of restatements of information provided in previous reports	SR 65	
G4-23	Significant changes in the scope and aspect boundaries from previous report	SR 65	
Stakeholder Engagement			
G4-24	List of stakeholder groups engaged	SR 36	
G4-25	Identification and selection of stakeholders	SR 7, 35	
G4-26	Approaches to stakeholder engagement	SR 35	
G4-27	Response to key topics and concerns raised	SR 35–36	
Report Profile			
G4-28	Reporting period	SR 65	
G4-29	Date of most recent previous report	SR 65	March 2016.
G4-30	Reporting cycle	SR 65	
G4-31	Contact point for questions	SR 72	
G4-32	'In accordance' option chosen	SR 65	
G4-33	Policy and current practice regarding external assurance	SR 65	
Governance			
G4-34	Governance structure	SR 54–55, AR 66–67	
G4-35	The process for delegating authority for sustainability topics	SR 54, AR 67	
G4-36	Executive-level positions with responsibility for sustainability topics	SR 54	
G4-37	Processes for consultation between stakeholders and the highest governance body	SR 35, AR 66	
G4-38	Composition of the highest governance body and its committees	AR 66–69, 72–73	
G4-39	Position of the chair of the board of directors	AR 66, 72	
G4-40	Nomination and selection processes for the highest governance body and its committees	AR 68	
G4-41	Report processes for the highest governance body to ensure conflict of interest is avoided and managed	AR 68	
G4-42	Highest governance body's role in setting purpose, values, and strategy	SR 54, AR 66–67	
Ethics & Integrity			
G4-56	Values, principles, standards, code of conduct and code of ethics	SR 20, 42	

Specific Standard Disclosures

Material Aspects	DMA* and indicator	Description	Page	Comment/Omission	Topic in SCA's Materiality Analysis
Economic					
Economic Performance	G4-DMA	DMA	SR 38–39, AR 76		Risk management
	G4-EC1	Direct economic value generated and distributed	SR 38		Resource efficiency
	G4-EC2	Risks and opportunities due to climate change	SR 26–29, AR 11, 77	SCA reports into the Carbon Disclosure Project's (CDP) climate change survey and the responses are publicly available on www.cdp.net.	
Indirect Economic Impacts	G4-DMA	DMA	SR 38–39, AR 76		Risk management
	G4-EC8	Significant indirect economic impacts	SR 16–18, 24–25		
Environmental					
Energy	G4-DMA	DMA	SR 49–50, AR 11	SCA adheres to the EU Industrial Emissions Directive (IED) BREF.	Resource efficiency
	G4-EN3	Energy consumption within the organization	SR 56, 58	Conversion factors from IEA 2014.	
	G4-EN4	Energy consumption outside of the organization	SR 56, 58	Conversion factors from IEA 2014.	
	G4-EN6	Reduction of energy consumption	SR 49		
Water	G4-DMA	DMA	SR 32, 53		Water use and water purification
	G4-EN8	Total water withdrawal by source	SR 32–33, 53, 58		
Biodiversity	G4-DMA	DMA	SR 30, 51–52		Forest assets
	G4-EN12	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SR 30, 52		
Emissions	G4-DMA	DMA	SR 26, 49	Emission rights are not included in SCA's CO ₂ target.	Resource efficiency
	G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	SR 58–63		Carbon emissions
	G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	SR 58–63		Water use and water purification
	G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3)	SR 56	SCA reports emissions from transport activities.	
	G4-EN18	Greenhouse gas (ghg) emissions intensity	SR 26	SCA's target for CO ₂ emission in relation to production is reported as percentage change in relation to base year.	
	G4-EN21	Nox, sox, and other significant air emissions	SR 58–63		
Effluents and Waste	G4-DMA	DMA	SR 32, 49, 51		Resource efficiency
	G4-EN22	Total water discharge by quality and destination	SR 53, 56–63		Water use and water purification
	G4-EN23	Total weight of waste by type and disposal method	SR 53, 56–63	SCA does not subdivide its waste in accordance with the categories suggested by GRI.	
Products and Services	G4-DMA	DMA	SR, 14–15, 40–41		Innovation
	G4-EN27	Mitigation of environmental impacts of products and services	SR 14–15, 26, 31, 40–41	Impacts in line with GRI categories are part of SCA's Life Cycle Assessments.	Digital excellence Resource efficiency
Transport	G4-DMA	DMA	SR 56		Carbon emissions
	G4-EN30	Significant environmental impacts of transportation	SR 56	SCA reports primarily transport emissions to air (CO ₂ , SO ₂ , NOx).	
Environmental Grievance Mechanisms	G4-DMA	DMA	SR 42, 53		Business ethics
	G4-EN34	Grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	SR 53		Transparency
Social					
Labor Pratices and Decent Work					
Employment	G4-DMA	DMA	SR 47, AR 31		Human capital
	G4-LA1	New employee hires and employee turnover	SR 64	Breakdown of employees joining the company is available at a local level.	
Labor/Management Relations	G4-DMA	DMA	SR 47, AR 31		Human capital
	G4-LA4	Minimum notice periods regarding operational changes	SR 48		
Occupational Health and Safety	G4-DMA	DMA	SR 22–23, 46	In some countries, SCA's activities to promote a healthy and safe work environment also include family and community members. However, this data is not collected at a Group level.	Health and Safety
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	SR 46		
	G4-LA6	Injuries, lost days, absenteeism and fatalities and total number of work-related fatalities	SR 46	SCA's consolidated data includes the most important safety KPIs. Additional data is available at local sites. SCA does not record safety data, for example, on the basis of gender.	
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		A detailed survey of the various risks is performed at each site.	
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	SR 46		
	G4-LA9	Average hours of training per year per employee	SR 47	Training hours are divided equally between men and women. Data is not broken down according to employee categories.	
Training and Education	G4-DMA	DMA	SR 42, 47		Human capital
	G4-LA11	Percentage of employees receiving regular performance and career development reviews	SR 47	Although SCA has statistical data at an individual level, disclosure relates to the total percentage of employees, since this is the internal KPI used.	
Diversity and Equal Opportunity	G4-DMA	DMA	SR 38, 47, AR 31		Human capital
	G4-LA12	Composition of governance bodies and employee breakdown	SR 47–48, 64, AR 66–67		
Equal Remuneration for Women and Men	G4-DMA	DMA	SR 38, 47, AR 31		Human capital
	G4-LA13	Ratio of basic salary and remuneration of women to men	SR 38	The calculation is based on average salaries in the four career levels with the highest number of permanent employees. Deviations exist within career levels.	

* Disclosure on Management Approach

Material Aspects	DMA* and indicator	Description	Page	Comment/Omission	Topic in SCA's Materiality Analysis
Supplier Assessment for Labor Practices	G4-DMA	DMA	SR 20, 38		Supply-chain efficiency
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	SR 44	SCA's global supplier base must commit to the SCA Global Supplier Standard. New suppliers are audited relative to this standard by SCA staff or third-party auditors.	
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	SR 45–46		
Labor Practices Grievance Mechanisms	G4-DMA	DMA	SR 20, 42		Business ethics
	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	SR 42		Transparency
Human Rights					
Investment	G4-DMA	DMA	SR 43, AR 78		Business ethics Transparency
	G4-HR1	Human rights screening or clauses included in significant investment agreements	SR 44–45		
	G4-HR2	Employee training on human rights	SR 42	SCA measures Code of Conduct training, including in the area of human rights, as a percentage of total SCA staff who receive training.	
Non-discrimination	G4-DMA	DMA	SR 42	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-HR3	Actions taken in incidents of discrimination	SR 42		
Freedom of Association and Collective Bargaining	G4-DMA	DMA	SR 42	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-HR4	Supporting right to freedom of association and collective bargaining agreement in risk areas	SR 42	No SCA sites were identified as high-risk sites by Sedex.	
Child Labor	G4-DMA	DMA	SR 42	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-HR5	Measures taken to eliminate child labor in risk areas	SR 20–21, 42–44	No SCA sites were identified as high-risk sites by Sedex.	
Forced or Compulsory Labor	G4-DMA	DMA	SR 42	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-HR6	Measures taken to eliminate forced or compulsory labor in risk areas	SR 20–21, 42–44	No SCA sites were identified as high-risk sites by Sedex.	
Supplier Human Rights Assessment	G4-DMA	DMA	SR 44	Included in SCA's Code of Conduct.	Business ethics Transparency Human Rights
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	SR 44–45		
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain	SR 44–45		
Human Rights Grievance Mechanisms	G4-DMA	DMA	SR 42		Business ethics Transparency Human Rights
	G4-HR12	Grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	SR 42		
Society					
Anti-Corruption	G4-DMA	DMA	SR 43, AR 9	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-SO3	Operations assessed for risks related to corruption and the significant risks identified	SR 42–43		
	G4-SO5	Actions taken in response to confirmed incidents of corruption	SR 42		
Anti-competitive Behavior	G4-DMA	DMA	SR 42	Included in SCA's Code of Conduct.	Business ethics Transparency
	G4-SO7	Anti-trust and monopoly court cases	SR 43–44		
Grievance Mechanisms for Impacts on Society	G4-DMA	DMA	SR 42, 53		Business ethics Transparency
	G4-SO11	Grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	SR 42		
Product Responsibility					
Customer Health and Safety	G4-DMA	DMA	SR 40–41		Product safety
	G4-PR1	Assessment of health and safety impact of products	SR 41		
Product and Service Labeling	G4-DMA	DMA	SR 40–41		Customer and consumer satisfaction Product safety
	G4-PR3	Product information required by procedures	SR 41		

* Disclosure on Management Approach

Glossary

Anaerobic treatment Anaerobic wastewater treatment uses biological agents in an oxygen-free environment to remove impurities from wastewater.

Antitrust, competition laws Laws and regulations to prevent a restriction of competition and the formation of monopolies that can threaten free competition in trade and business.

AOX, Absorbable organic halogens Expresses the amount of chlorine-bound organic substances. Some of these substances accumulate in fish and fish-eating birds.

ASR (Accident Severity Rate) The severity of accidents defined as the number of days lost due to accidents (DLA) in relation to the number of lost time accidents (LTA). Refer also to FR, IR and Lost Time Accidents (LTA).

BAT, Best Available Technology Officially used terminology to describe the state-of-the-art technology that industry should use in the field of activity concerned (see IED directive and BREF).

Biodiversity A term describing the multitude of life forms and species (flora and fauna) in an ecosystem. An ecosystem is a biological community living in a particular physical environment.

Biofuel Renewable fuel from wood and process residues.

BOD, Biochemical oxygen demand Water emission factor which describes the amount of oxygen consumed during biodegradation of dissolved organic matter in effluent water, without describing the specific substances present. High BOD values indicate depletion of the normal oxygen content of the water environment. It is measured over seven days in SCA's Swedish mills and five days in the rest of Europe, in accordance with national legislative systems.

BPA (Business Practice Audit) An audit of business ethics within SCA carried out by the internal audit function. The audit reviews compliance with policies and relationships with customers, suppliers and authorities.

BREF Best Available Technology Reference Document. This document identifies BAT (Best Available Technology) for a number of sectors selected by the EU, including the pulp and paper industry.

Bribery Is the giving or receiving of any undue reward by or to any person to influence their behavior in a manner contrary to the principles of honesty and integrity.

Carbon sink As they grow, forests transform gaseous carbon into solid form, thereby absorbing CO₂ whilst simultaneously producing oxygen. Forests, agricultural land and the world's oceans are considered to be "carbon sinks" by current science.

Chain-of-Custody The traceability of the origins of a product through all its transformations from raw material to finished product. In the SCA context, Chain-of-Custody certification links SCA's products with its FSC- and PEFC-certified forests.

Chemical pulp Pulp from wood fibers processed chemically, normally by cooking.

Chemical Thermo Mechanical Pulp, CTMP A high-yield pulp (about 90–95% yield from the wood) which is obtained by heating and then grinding chemically pre-treated spruce chips in refining machinery.

Child Labor Refers to the employment of workers who do not meet the applicable national minimum legal age requirement.

CHP See Co-generation or Combined Heat and Power.

Circular economy Economic models in a company, society or an organization where a circular closed-loop is used instead of a linear model.

Climate Change Also defined as global warming. Human activity contributes to the warming of the global environment and its resulting effects, which range from higher temperatures to eccentric weather patterns and melting of the ice caps.

CO₂ biogenic The carbon dioxide derived from combustion of biofuel. It is calculated from the carbon content of wood.

CO₂, Carbon dioxide A gaseous compound emitted naturally through geological activity during the decomposition process and through human activity. Industry and transport and heating/cooling are currently the largest emitters of CO₂.

CO₂ fossil The carbon dioxide derived from combustion of fossil fuels. It is calculated from the carbon content of each fuel.

COD, Chemical oxygen demand Water emission factor which describes the amount of oxygen consumed when dissolved matter in effluent water oxidizes. High COD values can indicate a risk of depletion of the normal oxygen content in the water environment.

Code of Conduct Is a formal statement of the values and business practices of a company. A code is a statement of minimum standards, together with a pledge by the company to observe them and to also require its contractors, subcontractors and suppliers, to observe them.

Code of Conduct Audit An audit of compliance with the Code of Conduct at SCA units, based on the content of the Code and the SA8000 standard.

Co-generation or Combined Heat and Power, CHP Combined production of electricity and thermal energy. Co-generation has a high total efficiency.

Conflict minerals A conflict resource is a raw material that is extracted in a conflict area and the sale of which finances continued fighting, or enables international criminality or serious violations of human rights. The most common conflict minerals are cassiterite, wolframite, coltan and gold ore.

Dust Particles in the flue gas created during combustion.

Effluent water Water discharged to water courses after treatment.

Electric boiler Electricity supplied for thermal heat (production), for boilers and heat pumps, measured at the site and converted into GJ.

Environmental Management System The part of the overall management system which includes the structure, practices, procedures and resources for the systematic implementation of the organization's own environmental policy.

EPD, Environmental Product Declaration Quantified environmental data for a product with pre-set categories of parameters based on the ISO 14040 series of standards but not excluding additional environmental information.

ESAVE Structured energy-saving program introduced by SCA in its energy-intensive manufacturing units in 2003. Its aim is to substantially reduce the consumption of energy in production units.

ETS, Emission Trading Scheme (or System) Greenhouse gas emission allowance trading scheme for the cost-effective reduction of such emissions in the European Union.

Forced labor This includes indentured, debt bondage or involuntary labor of any kind.

Fossil fuel Coal, fuel oil and natural gas.

Freedom of Association Refers to the right of employees to lawfully join associations of their own choosing, peacefully associate, organize or bargain collectively.

FR, Frequency Rate The number of accidents/incidents per million hours worked.

Fresh wood fiber Also referred to as virgin fiber. First generation use of raw material derived from wood.

FSC®, Forest Stewardship Council An international organization promoting responsible forest management. FSC has developed principles for forest management used for certifying the management of forest holdings, and a system of tracing, verifying and labelling timber and wood products based on FSC-certified forests. SCA is an active supporter of FSC.

FSC's standard for Controlled Wood This standard makes it possible for producers to mix FSC-certified material with uncertified material under controlled conditions. The traceability standard comprises strict rules on how and to what extent mixing may take place. The uncertified material is required to come from controlled and acceptable sources.

Grid supply The electricity supplied from the national grid.

GWh Gigawatt hours Unit of energy measurement (electricity and heat). 1 GWh = 1 million kWh.

Hazardous waste Material disposed of by authorized contractors, as defined by national laws.

Human Rights Are based on the recognition of the inherent dignity and the equal and inalienable rights of all members of the human family, and are the foundation of freedom, justice, and peace in the world. They are defined in the Universal Declaration of Human Rights (1948).

IED (Industry Emissions Directive) The EU Directive on integrated pollution prevention and control.

Incidence Rate, IR Number of incidents per 200,000 working hours.

Inorganic material Covers inorganic fillers and coating materials supplied to a site calculated at 100% dry substances (ds).

International Labor Organization (ILO) The International Labor Organization is a United Nations Agency, which establishes Conventions on Labor standards that are binding for member states when ratified. There are over 150 ILO Conventions, eight of which are "Core Conventions" since they embody fundamental human rights and set minimum labor standards.

ISO 14001 The standard published by the International Standards Organization, specifying the requirements of an environmental management system. All SCA European mills are certified ISO 14001.

Kraftliner Packaging paper primarily made of fresh wood.

Leach/Leachate The percolation of liquids through the earth. The leaching natural process can pollute underground water or surface water, which is situated below a retention basin of wastewater, or a landfill, which is biologically active, for example.

Life cycle assessment, LCA A method of assessing the environmental impact of a product, taking account of its entire lifespan from raw material extraction to waste disposal.

LTA, Lost Time Accidents Accidents that cause the absence of an employee from work.

LWC paper, Light Weight Coated LWC paper is a coated paper with a high mechanical pulp content. Used for high-quality magazines and advertising materials with demanding color-printing requirements.

Main site A production facility that is wholly owned by SCA and that has 100 or more employees.

Mechanical pulp Debarked wood that is ground or chipped for mechanical refining to separate the fibers that form pulp.

N, Nitrogen A chemical element, also present in wood, that is necessary for plant and animal life. Excess N in water can cause major increases in the amount of algae, which can lead to oxygen deficiency when the algae decompose.

Newsprint Paper for newspapers produced from mechanical pulp based on fresh fiber or recovered fiber.

Non-Governmental Organizations (NGOs) Are national, international, and community-based groups that raise awareness about social, environmental, community and human rights issues.

NO_x as NO₂ The nitrogen oxides NO and NO₂, calculated as NO₂ derived from combustion. Where NO_x is not measured, a standard value of 100 mg/MJ fuel is used.

OHSAS 18001 Management system standard for occupational health and safety.

Organic fossil material Covers crude-oil-based materials, such as super-absorbents and adhesives calculated at 100% dry substances.

PEFC™, Programme for the Endorsement of Forest Certification An international organization promoting responsible forest management and certification.

P, Phosphorus A chemical element, also present in wood, that is necessary for plant and animal life. Excess P in water can cause nutrient enrichment.

Post-consumer waste Waste generated after a product has been used, for example, used diapers, feminine care products and tissue.

Production waste To SCA, waste comprises only materials leaving its production units that cannot be used for any further useful purpose. Recovered paper and fiber are excluded, since they form part of SCA's main raw materials.

REACH, Regulation, Evaluation, Authorization and Restriction of Chemicals European regulation (1,907/2,000/EC) which address the production and (safe) use of chemical substances and their potential impact on both human health and the environment. Some 30,000 chemicals will have to be registered after testing with the central European Chemical Agency (ECHA) in Helsinki. Companies will have to obtain authorization to use hazardous chemicals.

RMS SCA's Resource Management System: a means of collecting and collating all environmental data and resource utilization within the SCA Group.

Recovered fiber Paper-making fiber derived from a secondary source, such as used paper and board, used for recycling.

Renewable All materials which can be re-grown or produced without depletion of natural resources.

Science-based carbon targets The Science Based Targets initiative is a partnership between CDP (formerly known as the Carbon Disclosure Project), the UN's Global Compact, the WRI (World Resources Institute) and the WWF. Science Based Targets helps companies to determine the level of decarbonization required to keep global temperature increase below 2 degrees Celsius, as agreed at the COP21 UN climate change conference in Paris in 2015.

Sedex (Supplier Ethical Data Exchange) A non-profit membership organization which promotes responsible and ethical supply chains. Companies can report and share information about health and safety, working conditions, the environment and business ethics in a global database.

SDG (Sustainable Development Goals) UN's 17 Sustainable Development Goals, including 169 intermediate targets, which were adopted in 2015. They replace the Millennium Development Goals and shall be achieved by 2030.

SO₂ Total sulfur calculated as SO₂ from processes and combustion at the site. Where SO₂ is not measured, the input sulfur in the fuel is calculated.

SRI, Socially responsible investment A method of selecting stocks for investment using criteria related to a company's environmental, social and ethical performance.

Sludge Residue from the production of paper; consists of inert materials, mainly small fiber debris, filler and other inert materials. It used to be sent to landfill. Nowadays, used as 'new' raw material and incinerated for energy recovery.

Solid-wood products Wood sawn into various dimensions and sizes for furniture, joinery and construction uses.

Stakeholders Groups of people with whom an organization has active relationships, and with whom effective dialog is necessary to the functioning of the business. Shareholders, authorities, customers, employees and professional associations are all stakeholders in SCA's business activities.

Suspended solids Particles that are not dissolved in the effluent water.

TCF, Totally Chlorine Free Paper pulp which is bleached without using chlorine in any form.

TMP, Thermo Mechanical Pulp A high-yield pulp (about 90–95% yield from the wood) which is obtained by heating spruce chips and then grinding them in refiners.

TJ, Terajoule A unit used to measure energy (fuel).

Tissue Creped soft paper which is the basis for hygiene products such as napkins, toilet paper and towels, and toweling products for institutions, hotels, etc.

TWh, TeraWatt hour Unit of energy measurement. 1 TWh=1,000 million KWh

UN Global Compact A strategic platform for sustainable business. Today, Global Compact is the world's largest voluntary initiative with more than 12,000 signatories from 145 countries who have committed to work according to the Global Compact's ten principles concerning human rights, labor, the environment and anti-corruption.

Water Represents the sum of surface water, ground water and tap water for processes and cooling purposes.

Water stress Occurs when the amount of good quality water is no longer enough to cover the community's needs. The definition that is usually used for water stress is if the amount of fresh water available in a country is less than 1,700 cubic meters per person and year. This can be compared with the limits for chronic water scarcity (1,000 cubic meters per person and year) and absolute water scarcity (500 cubic meters per person and year).

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