



The forest debate in Sweden

An industry perspective, November 2021

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This is SCA

Europe's largest private forest owner

Forestland

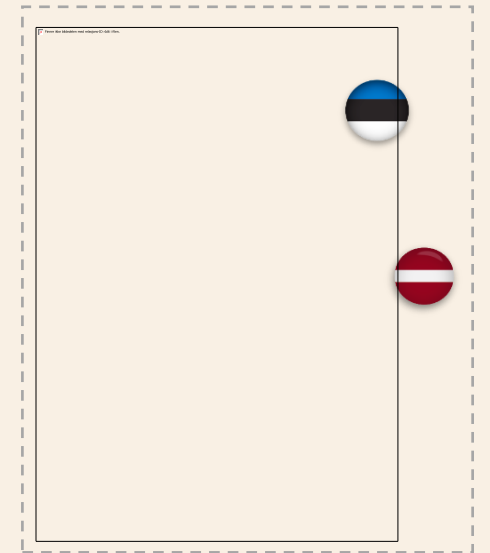
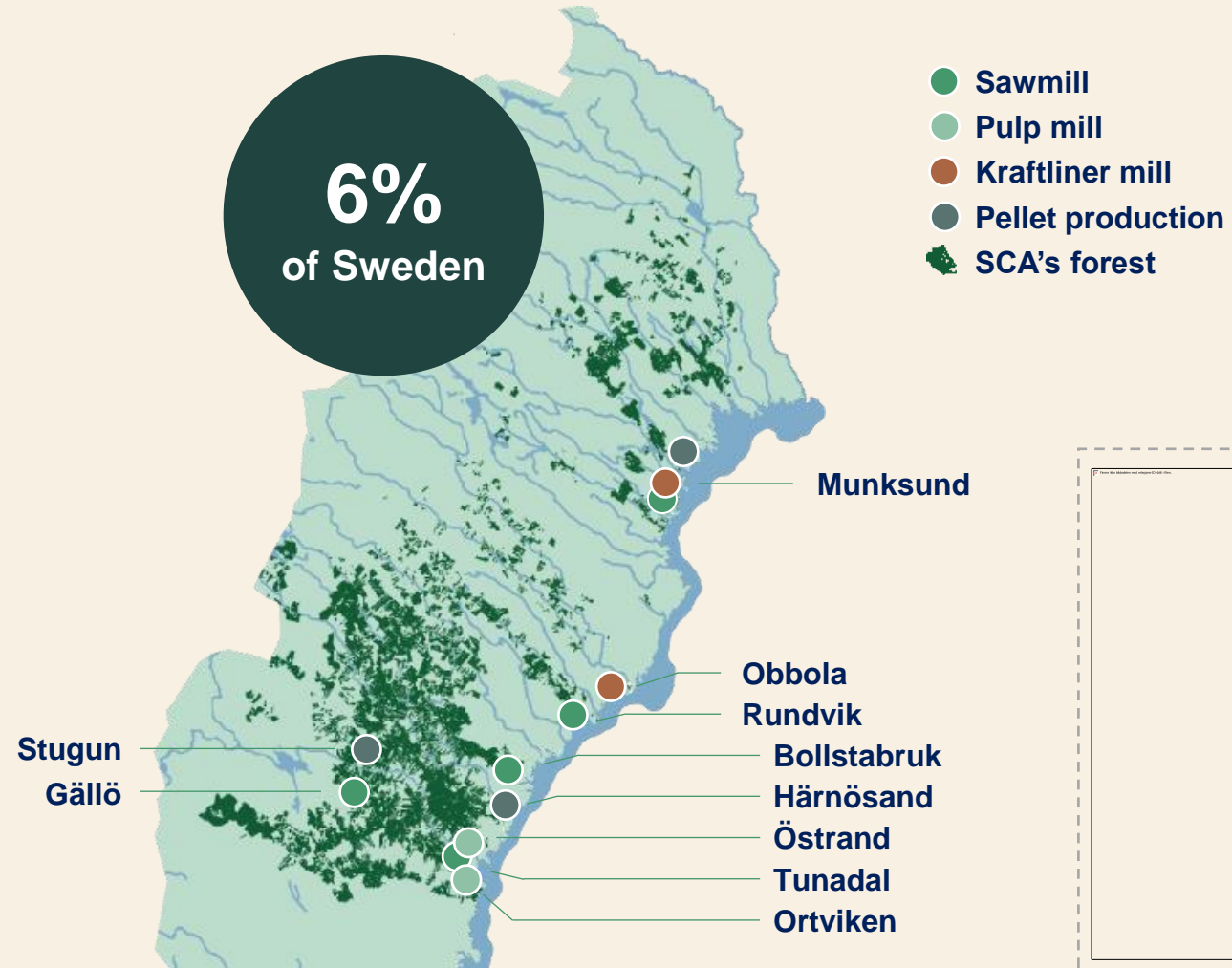
2.6_{m ha}

Productive forestland

2.0_{m ha}

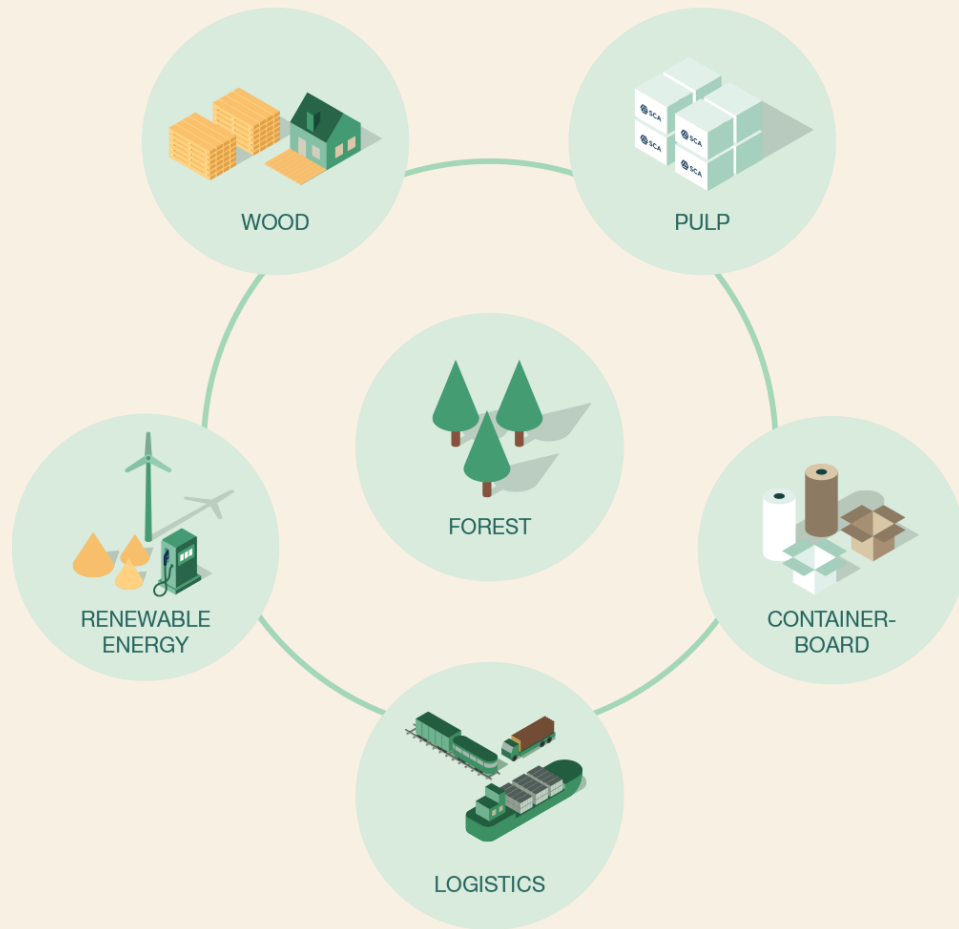
Standing volume ¹

257_{m m³fo}



¹ Including forest holdings in the Baltics.

A strong and integrated value chain



Sales (SEKbn)

18.4

Climate benefit

9.6_{m t CO₂}

EBITDA (SEKbn)

4.4

Net growth of forest

3.2_{m m³fo}

EBITDA margin

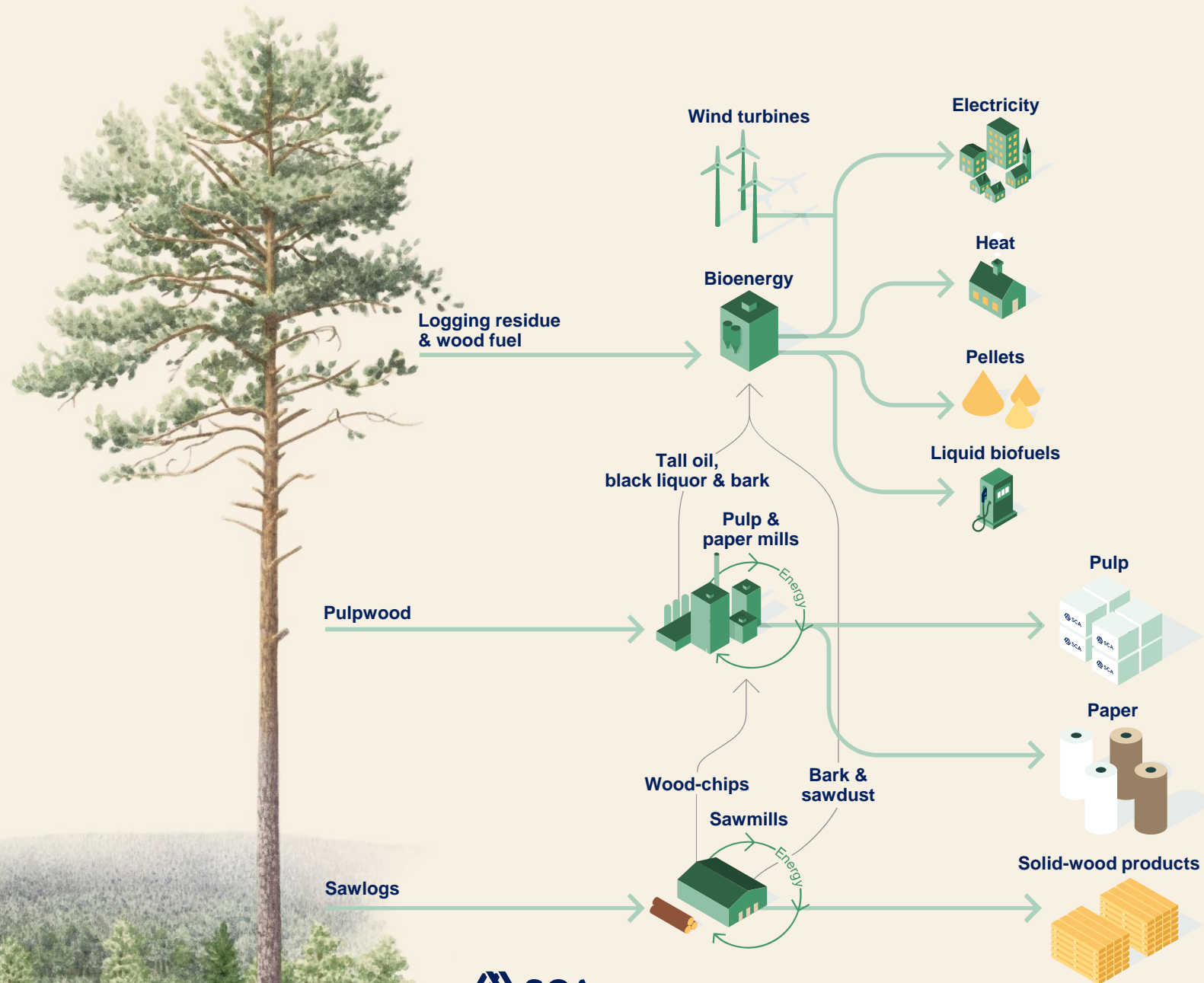
24%

Employees

4,196

Note: Figures refer to 2020.
Excluding effect of one-off items related to the discontinuation of publication paper.

We use the entire tree



SCA's contribution to a fossil-free society

Binds net
4.4
Mt CO₂

CO₂

1

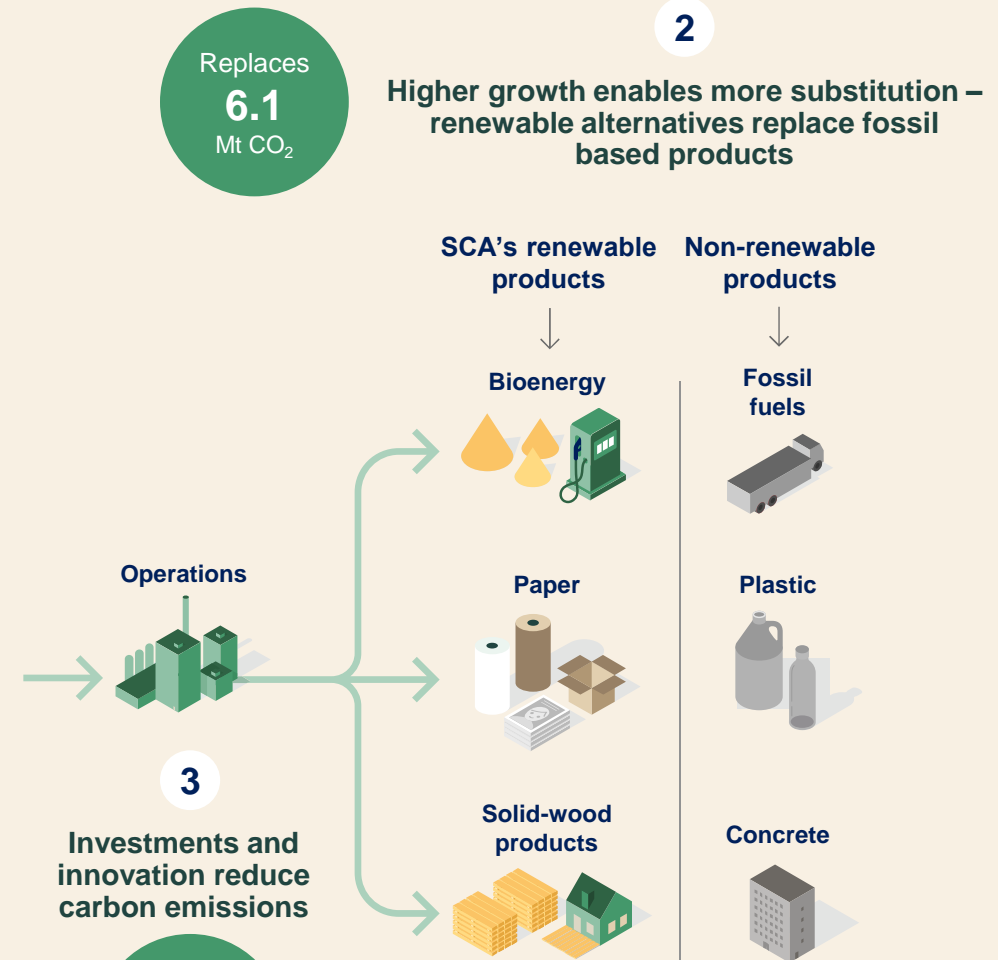
Growing forests bind CO₂ –
active forest management
increases growth

Fertilization

Contorta
pine

Active
silviculture

Improved
seedlings



In 2020 SCA's climate benefit was 9.6 million tonnes of CO₂, which corresponds to fossil emissions from Sweden's passenger cars.



¹ For distribution per scope, see appendix

The forest debate

VETENSKAPENS VÄRLD

SLAGET OM SKOGEN

Intensive debate over the past year

- **EU policy:** The Green Deal
 - Forest Strategy
 - Taxonomy
 - LULUCF: Land Use and Land Use Change
 - REDIII: Renewable energy
- **Swedish policy**
 - Skogsutredningen (Forest commission)
 - Artskyddsutredningen (Species commission)
- **In Swedish media**
 - Dagens Nyheter scrutinizing the forest industry
 - SVT series "Slaget om skogen" ("Battle of the forest")
 - Social media



The European Green Deal



The EU as a
global leader

A European
Climate Pact

The Green Deal: Transforming EUs economy

- **Several** processes impacting forest management
- **Strategies:** On Biodiversity and Forests – subsidiarity?
- **Taxonomy:** Financing the transition – rules still unclear!
- **”Fit for 55”:** 55% net reduction of GHG by 2030
 - LULUCF: Increase of net sink in forests (+30%)
 - REDIII: Details on forestry, biodiversity and raw material markets
 - Carbon trade: ETS and Carbon Border Adjustment

→ **The influence on the Swedish forest sector is increasing**



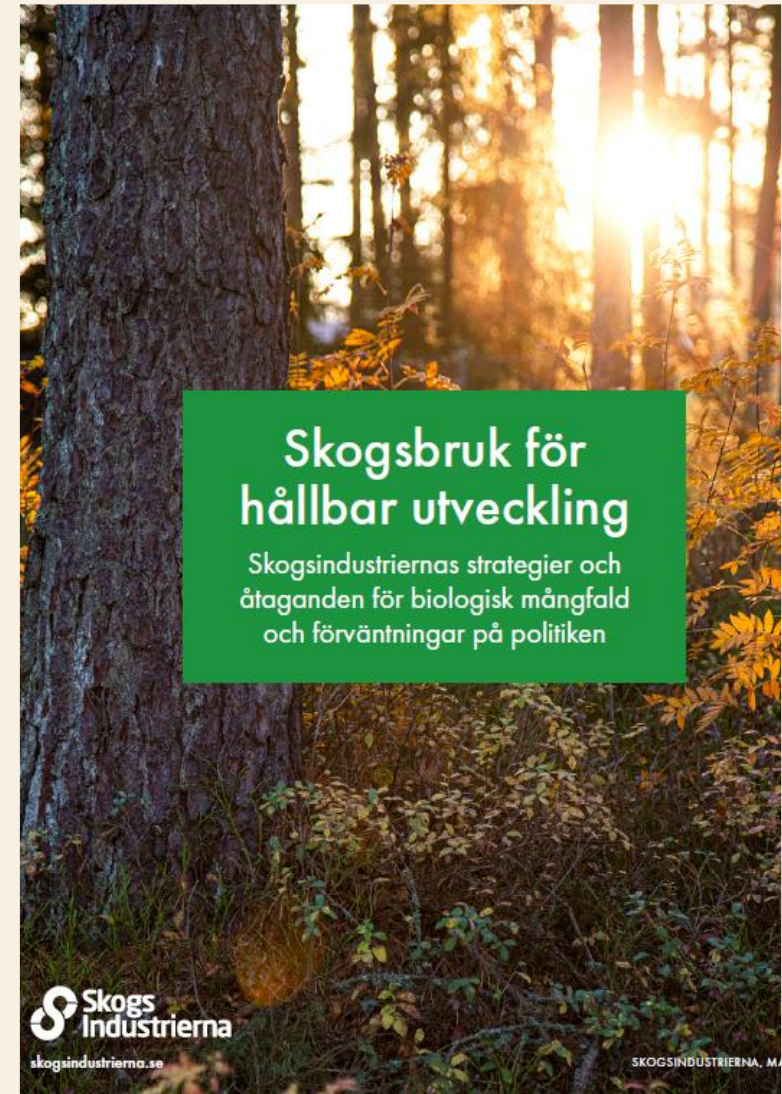
The Green Deal

- **We support the Green Deal** and the goal of a climate neutral society by 2050.
- **Change is needed** – raising our ambitions on biodiversity, climate and circular bioeconomy
- **Detailed rules** across EU run great risk of being counterproductive (hence: subsidiarity)
 - Holistic view on forests including value chains
 - Common approach across EU
- **The role of forests:** Taxonomy, Biodiversity strategy, Forest Strategy, LULUCF and REDIII:
 - Forests mainly seen as carbon sink
 - Growing forests + fossil displacement
 - Detailed rules - poorly defined concepts



In Sweden: Political and public debate

- Artskyddsutredningen (Species commission):
 - Dialogue between forest owners and the Swedish Forest Agency (Skogsstyrelsen) to be replaced by litigation?
 - Permits and licenses: Slower and more unpredictable.
- Skogsproposition (Government bill on Forests) in 2022:
 - Biodiversity and climate?
 - Forest protection vs active forest management?
 - Current land use vs land use change? The right of ownership?
 - Sustainable development in rural areas?
 - New Forest Policy?
- The role of media:
 - Great that so many care about the forest!
 - Scrutiny is good – if fact based and objective.



Key messages



Forests are essential: climate, biodiversity and rural development



The influence from the EU is increasing



Narrow focus on forests as carbon sinks and biodiversity reserves



We need a holistic view on forests, forestry and its products

