

This is SCA

SCA is a leading global hygiene and forest products company that develops and produces sustainable personal care, tissue and forest products.

PERSONAL CARE

SCA is a global leader in personal care and manufactures and sells incontinence products, baby diapers and feminine care products. Within these product segments, SCA also offers such products as wet wipes, soap, lotion, baby oil and cotton pads. The products are sold under SCA's global and regional brands, such as Libero, Libresse, Nosotras, Saba and TENA, as well as under retailers' brands. Distribution channels for the products are the retail trade, online sales, pharmacies and care institutions.



30%

of SCA's net sales for 2015

Read more about the Personal Care business area on pages 50–55.

TISSUE

SCA is a global leader in tissue and manufactures and sells consumer tissue and Away-from-Home (AfH) tissue. The consumer tissue product portfolio comprises toilet paper, kitchen rolls, facial tissues, handkerchiefs and napkins. In the consumer tissue segment, products are sold to retailers under SCA's own brands, such as Lotus, Tempo and Zewa, as well as under retailers' brands. In the AfH tissue segment, SCA develops and markets complete hygiene solutions, including tissue, soap, hand lotion, hand sanitizers, dispensers, cleaning and wiping products, service and maintenance for institutions and companies, under the globally leading brand Tork. Distribution channels for the products are the retail trade, online sales and distributors.



55%

of SCA's net sales for 2015

Read more about the Tissue business area on pages 56–61.

FOREST PRODUCTS

In the Forest Products business area, SCA manufactures and sells paper for packaging and print, pulp, solid-wood products and renewable energy. SCA is Europe's largest private forest owner and produces forest products with a strong environmental profile.



15%

of SCA's net sales for 2015

Read more about the Forest Products business area on pages 62–65.

SALES – SEK BN



SALES – NUMBER OF COUNTRIES



EMPLOYEES



BRANDS



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The year at a glance

2015 IN FIGURES

- Net sales rose 11% to SEK 115,316m (104,054).
- Organic sales growth, which excludes exchange rate effects, acquisitions and divestments, was 5%.
- Operating profit, excluding items affecting comparability, rose 10% to SEK 13,014m (11,849).
- The operating margin, excluding items affecting comparability, was 11.3% (11.4%, 11.1% excluding gains on forest swaps).
- Profit before tax, excluding items affecting comparability, rose 11% to SEK 12,059m (10,888).
- Earnings per share amounted to SEK 9.97 (9.40).
- The return on capital employed, excluding items affecting comparability, was 12.0% (11.2%).
- The return on equity, excluding items affecting comparability, was 11.6% (11.9%).
- Cash flow from current operations amounted to SEK 9,890m (8,149).
- The Board of Directors proposes an increase in the dividend by 9.5% to SEK 5.75 (5.25) per share.

KEY EVENTS IN 2015

- To further intensify the focus on the Group's two main operations, SCA decided to initiate a dividing of the Group into two divisions: a Hygiene division and a Forest Products division.
- Decision to further enhance the hygiene organization. This change took effect on January 1, 2016.
- Decision to invest in a new production facility in Brazil for the manufacture of incontinence products.
- Decision to invest in increased capacity for pulp production at the Östrand pulp mill in Sweden.
- SCA qualified for inclusion in the Dow Jones Sustainability World Index and the Dow Jones Sustainability Europe Index, and was named industry leader in the Household Products sector.
- Decision to make a public bid on Wausau Paper Corp., one of the largest AfH tissue companies in the North American market. The transaction was completed on January 21, 2016.
- Decision to divest the business in Southeast Asia, Taiwan and South Korea for integration with Vinda. SCA is the majority shareholder in Vinda, one of China's largest hygiene companies.
- As part of the cost-savings program related to the acquisition of Georgia-Pacific's European tissue operations, a tissue production plant in France was closed.
- Decision to close down a newsprint machine at the Örtviken paper mill in Sweden.

GROUP

Key ratios

	2015		2014	
	SEK	EUR ²⁾	SEK	EUR ²⁾
Net sales, SEKm/EURm	115,316	12,334	104,054	11,449
Operating profit, SEKm/EURm	10,947 ⁴⁾	1,171	10,449	1,150
Operating profit, SEKm/EURm ¹⁾	13,014	1,392	11,849	1,304
Operating margin, %	9		10	
Operating margin, % ¹⁾	11		11	
Profit before tax, SEKm/EURm	9,992	1,069	9,488	1,044
Profit before tax, SEKm/EURm ¹⁾	12,059	1,290	10,888	1,198
Profit for the year, SEKm/EURm	7,452	797	7,068	778
Profit for the year, SEKm/EURm ¹⁾	8,753	936	8,244	907
Earnings per share, SEK	9.97		9.40	
Earnings per share, SEK ¹⁾	11.82		11.07	
Cash flow from current operations per share, SEK	14.08		11.60	
Equity per share, SEK	107.35		103	
Dividend, SEK	5.75 ³⁾		5.25	
Strategic capital expenditures, including acquisitions, SEKm/EURm	-3,218	-344	-2,324	-256
Divestments, SEKm/EURm	329	35	206	23
Equity, SEKm/EURm	75,691	8,290	72,872	7,643
Return on capital employed, %	10		10	
Return on capital employed, % ¹⁾	12		11	
Return on equity, %	10		10	
Return on equity, % ¹⁾	12		12	
Debt/equity ratio	0.39		0.49	
Debt/equity ratio, excluding pension liabilities	0.36		0.42	
Average number of employees	44,051		44,247	
Number of employees at Dec. 31	44,000		43,772	

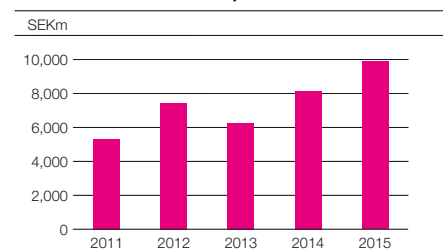
¹⁾ Excluding items affecting comparability.

²⁾ See footnote ¹⁾ on pages 84 and 88 for exchange rates.

³⁾ Proposed dividend.

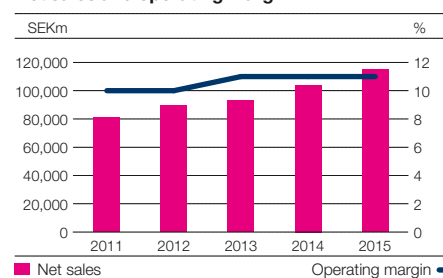
⁴⁾ Includes the sale of securities, SEK 970m.

Cash flow from current operations



2012 and 2013 restated in accordance with IFRS 10 and 11.

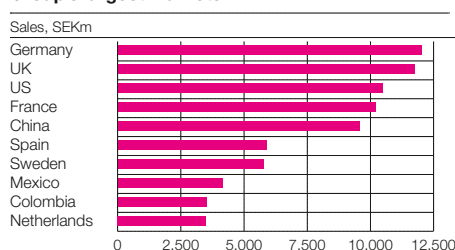
Net sales and operating margin



Excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

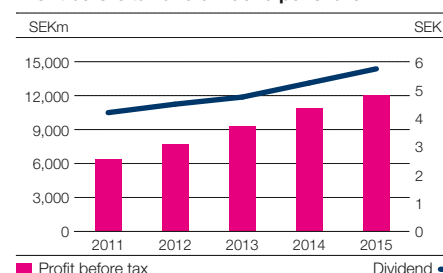
Group's largest markets



+10%

increase in operating profit in 2015, excluding items affecting comparability, compared with the preceding year.

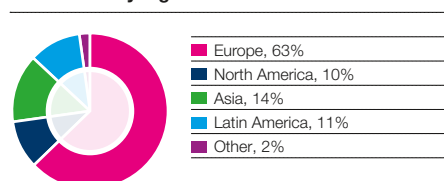
Profit before tax and dividend per share



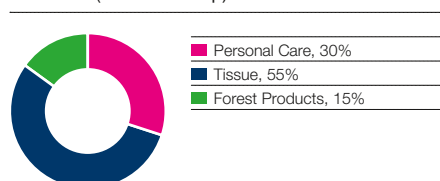
Profit excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

SCA's sales by region

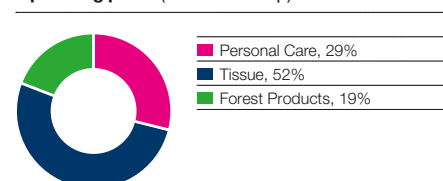


Net sales (share of Group)



Total Group: SEK 115,316m

Operating profit (share of Group)



Total Group: SEK 13,014m

Excluding items affecting comparability.

Enhancing a successful strategy

As a result of profitable growth, successful innovation work and efficiency improvements, we delivered favorable results in 2015, creating value for our shareholders, customers and employees. We also made several acquisitions and divestments, as well as deciding on substantial investments that will enable increased growth and profitability moving forward.



There is a growing awareness of the relationship between hygiene and health, as indicated by the UN's recently announced global development goals. Combined with a growing and aging population, this is creating greater demand for our products. At SCA, we are deeply committed to ensuring that our products make everyday life easier for millions of people around the world every day.

Organic sales growth in 2015 amounted to 5%. Operating profit, excluding items affecting comparability, rose 10% compared to the previous year and amounted to SEK 13,014m. Operating cash flow increased 16% compared to the previous year.

To further intensify the focus on the Group's two main operations, we decided to initiate a dividing of the Group into two divisions: a Hygiene division and a Forest Products division. During the year, we also continued to further enhance SCA's hygiene organization, which took effect on January 1, 2016.

Investments for profitable growth

During 2015, strategic investment decisions were made, for example, in Brazil, Sweden and North America.

Brazil is the third largest retail market worldwide for incontinence products. In an effort to expand our production capacity and improve our long-term profitability, we are investing in a new production facility in Brazil.

To satisfy the growing demand for pulp, we are investing SEK 7.8bn in increased capacity for pulp production at Östrand pulp mill in Sweden. The investment will enable us to double our pulp production while simultaneously creating a world-class mill in terms of cost-efficiency.

During the year, SCA made a public bid for Wausau Paper Corp., one of the largest producers of AfH tissue in North America. The acquisition of Wausau Paper is an excellent strategic fit for us and strengthens our presence in North America. The Wausau Paper product portfolio complements SCA's offering in North America and gives us access to premium tissue in the region. The acquisition was closed in January 2016.

Successful efficiency work

Our efficiency work continued, with a focus on the entire value chain. Considerable savings were achieved, for example, in material sourcing, distribution and production efficiency. As part of the cost-savings program related to the acquisition of Georgia-Pacific's European tissue operations, a production plant in France was closed during the year. The program was concluded at year-end, but we continue to see opportunities for efficiency improvement measures.

"We achieved favorable results in 2015 through continuous operational improvements and consistent strategy implementation focused on profitable growth, innovation and efficiency."

Innovations that benefit the consumer

Creative innovations and product launches are a top priority when it comes to delivering increased customer and consumer value, as well as reducing resource consumption in all stages of the value chain, which contributes to sustainable development and lower costs.

We introduced approximately 30 innovations and product launches during 2015. In the baby diapers segment, we launched Libero Touch, our most significant innovation in baby diapers since "Up & Go" 20 years ago. Libero Touch is a specially designed product that offers superior fit and softness never before seen on the market.

Customers and consumers are increasingly requesting digital solutions that simplify their day-to-day activities. In addition to offering products online, we are also working to digitize our solutions. The "Internet of Things" solutions from Tork are packaged under the name Tork Solutions. These products offer intelligent solutions for public spaces, which improve efficiency, quality and communication. Tork Solutions includes Tork EasyCube™, which provides facility managers with real-time information regarding visitor numbers and levels in soap and paper dispensers in washroom facilities, and Tork SmartFresh™, which is an automatic toilet system that keeps toilets clean and fresh. Tork Solutions provides information about cleaning requirements and what needs to be refilled, thus streamlining property operations for our customers and, most importantly, offering visitors a more pleasant experience.

Action to increase profitability

In emerging markets, our aim is to focus on fewer markets to ensure we are successful in capturing leading market positions wherever we decide to operate. Due to weak market positions and insufficient profitability, we exited the baby diaper markets in Brazil and South Africa and changed to an export business for baby diapers in Thailand.

In the forest products operation, we decided to close down a newsprint machine at Örtviken paper mill in Sweden as a result of declining global demand for publication papers and weak profitability. In addition, efficiency-enhancement actions were implemented at our kraftliner mills in Sweden.

Strengthened cooperation with Vinda in Asia

Since 2013, SCA has been the majority shareholder in Vinda, one of China's

largest hygiene companies. During the year, we decided to further strengthen our cooperation by divesting SCA's operations in Southeast Asia, Taiwan and South Korea to Vinda. This strengthens the collaboration between SCA and Vinda and enables us to leverage our joint strengths to build a leading Asian hygiene business.

Raising hygiene awareness

To increase awareness of the importance of good hygiene and break the taboos relating to incontinence and menstruation, we continued our collaboration with the UN Water Supply and Sanitation Collaborative Council (WSSCC), which commenced in conjunction with the participation of our female Team SCA in the Volvo Ocean Race. In May 2015, SCA and WSSCC participated in a seminar at the UN headquarters in New York. The seminar included a discussion on how the lack of washroom facilities and hygiene products impacts women's social role, and the importance of cooperation between the public and private sectors in this area.

Creating value for SCA and society

Corporate success is closely related to social challenges. The growing elderly population is one such challenge in which effective incontinence care can contribute to a solution. Using TENA Solutions, we conduct an extensive analysis of each nursing home's specific requirements in order to develop the optimal solution. This results in less leakage and skin irritation for care recipients, while at the same time freeing up more time for personnel and reducing the total cost. We create value for SCA, while also creating value for people and society.

In 2015, SCA qualified for inclusion in the Dow Jones Sustainability Indexes, one of the world's most prestigious series of sustainability indexes, and was named the industry leader in the Household Products sector. SCA also qualified for the Climate Disclosure Leadership Index, in which the Group gained the highest grade.

Ethics are another top priority and we carry out ongoing employee training in order to minimize the risk of unethical behavior in our operations. During the year, the competition authorities audited SCA's operations in various areas, including Chile. SCA cooperates with the authorities and provides all information requested. During 2015, we conducted extensive training in competition legislation, and I would like to underscore that all types of illegal collaboration – as well as other deviations from

our ethical rules – are totally unacceptable. Read more about our activities in this area in SCA's Sustainability Report.

Female Team SCA crosses the finish line

In accordance with SCA's work aimed at offering women equal opportunities as men, socially, professionally and educationally, SCA participated with the first female crew to compete in the Volvo Ocean Race in more than ten years – Team SCA – in 2014–2015. Several activities focusing on women were featured, at the same time as we had the opportunity to highlight SCA as a leading global hygiene and forest products company. The project was successful and thanks to Team SCA, we attained widespread exposure of the SCA brand and a distinct connection to our customer and consumer brands.

Conclusion

2015 was an eventful and dramatic year for SCA, starting with major changes in the Board of Directors and Executive Management Team. We achieved favorable results in 2015 through continuous operational improvements and consistent strategy implementation focused on profitable growth, innovation and efficiency. I would like to thank all of our employees and customers worldwide and I look forward to an exciting 2016.

Magnus Groth
President and CEO



SCA's work on value creation

SCA is a leading global hygiene and forest products company that develops and produces sustainable personal care products, tissue and forest products.

Macro trends indicate increased usage of hygiene products

Global prosperity is on the rise, resulting in growing consumer demand for SCA's products and services. Once people's most basic needs for food and shelter are met, people begin to prioritize hygiene products. We are also undergoing population growth, which is resulting in greater demand for hygiene products, such as baby diapers, feminine care products and tissue. An aging population is also resulting in an increased need for incontinence products. Market penetration for incontinence products is largely low, thus providing SCA with excellent possibilities for continued growth in both mature and emerging markets. For other hygiene products, the relatively low level of market penetration in emerging markets entails growth potential.

Profitable growth

To achieve profitable growth, SCA works to grow profitable market positions, improve or exit underperforming positions, broaden its offering of product categories and expand integrated solutions and services. In the digital segment, SCA is investing in increasing the number of digital products and services as well as online sales. SCA is well-positioned to leverage the growth potential existing in both mature and emerging markets. SCA's long-term goal is to be a leader and strengthen its brand positions in the markets that it serves. SCA's ambition is to increase the emerging markets' share of sales and profit. In addition to organic sales growth, SCA sees a potential to also grow through acquisitions. Increasing the hygiene business's share of the SCA Group has been a strategic step toward reducing the company's sensitivity to economic fluctuations and thereby ensuring a more long-term stable level of profitability and growth.

Innovation

SCA's offerings simplify everyday life for millions of people worldwide. All of this begins and ends with innovation. By maintaining close proximity to our customers, understanding their needs and transforming this knowledge into offerings, SCA makes a difference in people's everyday lives. Our innovations drive growth and efficiency and are crucial when it comes to building our brands and meeting customer and consumer requirements. SCA introduced approximately 30 innovations and product launches in 2015.



Strong brands and leading market positions



SCA conducts sales in about 100 countries. In around 90 of these countries, SCA held the number one or two position in at least one hygiene product segment. SCA is the global market leader in incontinence products under the TENA brand and in the Away-from-Home (AfH) tissue segment under the Tork brand. Moreover, SCA has strong regional brands and market positions in baby diapers, feminine care and consumer tissue. SCA is working to establish a strong corporate brand and strengthen the link to our customer and consumer brands.

Employer branding – SCA as an employer

Talented, innovative and motivated employees are key to SCA's success. SCA takes a long-term and strategic approach to attracting, developing and retaining the right employees. The second round of the "SCA Go Program!", designed for newly graduated students, started in 2015. Individual development plans, leadership courses and employee surveys are important aspects of SCA's efforts toward a value-creating and motivating work environment with dedicated leaders and employees.

Efficiency

SCA continuously works to improve efficiency to strengthen SCA's competitiveness, cut costs and improve earnings. Cost and capital efficiency are top priorities in the Group and SCA is clearly focused on improving production and supplier efficiency and better leveraging economies of scale in order to achieve an effective supply chain.



Sustainability initiatives

SCA's operations are based on a sustainable business model where value creation for people and nature drives growth and profitability. We believe this approach ensures success both in the short and long term. SCA has set ambitious targets in the areas that are paramount for SCA and our stakeholders, such as in hygiene solutions, health and safety, climate and energy, water and biodiversity. Starting in 2016, the targets for water, health and safety, and fiber sourcing have been updated.



Creating value for our shareholders

To generate more value for our shareholders in the long-term, SCA has targets for organic sales growth, return on capital employed, capital structure as well as people and nature. These targets drive and govern the operations and are intended to increase shareholder value. SCA's target for annual organic sales growth for Personal Care is 5–7%, while the target for Tissue is 3–4%. For Forest Products, the target is to grow in line with the market. The Group's overall profitability target is to achieve a return on capital employed of 13% over a business cycle. The target is 30% for Personal Care, 15% for Tissue and to be in the top quartile of the industry for Forest Products. SCA aims to provide long-term stable and rising dividends to its shareholders.



Driving forces

Global macro trends, from population increases and higher standards of living to resource shortages and climate change, rapidly alter the conditions for SCA's business operations. By analyzing the external environment and trends, and maintaining close customer and consumer dialogs, SCA can leverage these drivers, thus enabling the creation of long-term sustainable growth.

Growing and aging population

The world's population is growing and aging. The current global population is more than seven billion and the UN predicts that this figure will grow to nine billion by 2050. The average life expectancy is increasing and the world's elderly population is expected to grow more than any other section of the population. This growing population is resulting in an increased

demand for hygiene products and thus creating favorable growth opportunities for SCA. The greatest population increase is expected to occur in Asia, Latin America and Africa, which means that having a presence in these markets and offering adapted products will be strategically important. An aging population will put more pressure on the elderly care sys-

tem and an increasing number of elderly people will require homecare. We are also becoming healthier and continuing to lead active lives at an older age. These factors are contributing to increased demand for customer and consumer-adapted incontinence solutions in both mature and emerging markets.



Higher standard of living

At the same time as the world's population is growing, the level of poverty in the world is decreasing. An increasing number of people now earn more than USD 2 per day (the UN's definition of poverty) or have moved into the middle class. Once people's most basic needs for food and shelter are met, health and hygiene become top priorities. This creates favorable growth opportunities, and SCA is working to develop business models for consumers with limited resources.

Health and hygiene

Limited or no access to hygiene and sanitation is one of the greatest global challenges to be resolved. Good hygiene and knowledge about hygiene and hygiene products improve people's health and quality of life. An attitude promoting better hygiene and health is a global trend. SCA continuously develops new hygiene solutions and educates young women about menstruation and puberty, as well as teaching children about the importance of good hand hygiene. For many women in developing countries, access to sanitary pads could mean the difference between going to school and work or being forced to stay home. Incontinence products enable elderly people to live more active and dignified lives.



A changing world

Globalization, urbanization, political decisions, the global economy, legislation and cultural dynamics all impact SCA. By trying to anticipate and assess structural changes in our external environment, we prepare for the future and ensure that we will be able to capitalize on the benefits and tackle the challenges that arise as a result of these changes. Economic power relationships are changing, and emerging markets such as China, India and Brazil are gaining increasingly important influence.



Changing customer/consumer behavior

Trends, technological developments and prevailing values cause customer and consumer behavior to change. Accordingly, the ability to anticipate and exceed customer and consumer expectations is becoming increasingly important.

- Sustainable consumption: Limited resources, political prioritizations and knowledgeable, aware customers and consumers are increasing demand for sustainable products and services.
- Digitization: Many purchases are now made online, which is changing the rules of the game, for example, when it comes to product development, marketing and

distribution. Customers and consumers are showing greater demand for digital solutions.

- The company behind the brand: More than ever before, customers and consumers are paying attention to the companies behind the products and services they buy and imposing greater demands on these companies in terms of corporate responsibility.
- Innovation: Highly innovative products, services and business models are required to respond to these changing behaviors.

Scarce resources

As a result of the growing global economy and world population, an increasing number of people are now sharing the planet's natural resources.

- Energy: Access to energy is a key issue. The International Energy Agency (IEA) predicts that the need for energy will increase by one-third by 2040, which will probably entail higher costs and, in some cases, an energy shortage. As a major energy consumer, this is an important issue for SCA and we continuously work to enhance our energy efficiency. New technology is not only resource-efficient, but usually also generates fewer emissions. SCA is also driving development in the area of renewable energy, including wind power and biofuel.

- Water: The UN predicts that two-thirds of the world's population may live in areas with water shortages by 2025. Access to water is critical for people, industry and agriculture. SCA's production operations are dependent on access to water and we are working to achieve our ambitious goals for efficient water usage.
- Forest management: Illegal felling and felling of forests with a high conservation value contributes to global deforestation and constitutes a threat to biodiversity. SCA has a Group target for checking the origin of all wood raw material. Forests are a key component in our value chain and provide us with access to forest raw materials.

- Human capital: The economic progress of the world's emerging markets and increasingly knowledge-intensive business in mature markets are resulting in a growing need for skilled labor and management. At SCA, we invest in the development and training of our employees and take a strategic approach to meeting our future requirements for competent leaders.



Climate changes

Climate change is one of the most critical environmental and social issues facing the world today. Authorities are setting targets to reduce CO₂ emissions, and the private sector is expected to play its part. SCA combats climate change by investing in new technology, efficiency enhance-

ments, and biofuel and wind power initiatives. Our forests have an annual net growth of 1%. This means that our forests absorb 2.6 million tons of carbon dioxide each year, which exceeds the emissions generated through the total use of fossil fuels in SCA's production operations.

Our crossroads

Areas that are important to the Group's stakeholders serve as the basis for our priorities.

Our materiality analysis highlights the issues that are significant to SCA and our stakeholders. It forms the basis of SCA's strategy and sustainability program. The analysis is based on a survey of 1,100 internal and external stakeholders.

Earlier materiality analyses were conducted by SCA in 2008, 2010, 2012 and 2013. The results of the 2015 materiality analysis show that our stakeholders consider the following areas most important:

1. Innovation
2. Customer and consumer satisfaction
3. Business ethics
4. Transparency
5. Health and Safety

Other key areas are human rights, resource efficiency, forest assets, corporate governance and product safety. A total of about 1,100 customers, consumers, suppliers, investors, analysts, journalists, NGO representatives and SCA employees participated in the analysis. The stakeholder groups' results have been weighted to provide a more balanced view of the results. Innovation was ranked highest in an overall assessment of all of the stakeholders' results. Investors and analysts listed innovation as the most important issue, while customers and consumers ranked customer and consumer satisfaction as most important, and innovation as second most important. SCA employees felt that health and safety were most important, followed by customer and consumer satisfaction and innovation. In comparison with the 2013 materiality analysis, health and safety together with human rights ranked higher in 2015, while product safety and brands were ranked lower.

1 INNOVATION was ranked as the overall most important area by the Group's stakeholders. Innovation is one of SCA's three strategic priorities. By maintaining close proximity to our customers and consumers, understanding their needs and transforming this knowledge into products and services, SCA makes a difference in people's everyday lives, which in turn strengthens the company's market positions and brands.



2 CUSTOMER AND CONSUMER SATISFACTION received the second highest ranking by the stakeholders. Customer understanding and consumer insight determine the innovations that are developed by SCA and how finished products and services are delivered to the market.

A dialog with consumers is conducted through focus groups, in-depth interviews and other alternatives. A great deal can be learned from SCA's sales representatives and SCA performs regular customer satisfaction surveys. Insight is also gained into the needs of consumers and their perceptions of our products by following the discussions on such websites as www.libero.com and www.girls1st.se and on social media.



3 BUSINESS ETHICS are also considered highly important by the stakeholders. Free and fair competition is an important cornerstone in every society, and for every sustainable business operation. SCA has zero tolerance for all forms of corruption and unethical business practices and expects its suppliers to adhere to the same rules as SCA, in accordance with SCA's Global Supplier Standard. SCA has a long-standing training program for employees who, during the course of their work, encounter and require extra expertise when it comes to issues concerning competition law. As part of the program, employees receive written guidelines and an opportunity to participate in recurring training seminars in small groups, during which various relevant issues are discussed. During the year, SCA also introduced a new, interactive e-learning program addressing all areas of competition law. To ensure that employees understand all of the rules and regulations, the program also includes a section in which they must answer various questions. More than 2,000 employees completed this program in 2015, and more will be trained in 2016. SCA offers its employees a number of channels for reporting potential breaches of the Code of Conduct, such as through their line manager, HR Director, legal counsel or union representative. In 2015, SCA made further improvements in the process for investigating reports and potential violations, such as development of new guidelines and training, to ensure all reports are handled in a correct, professional and efficient way.

Customers and consumers

SCA is there for our customers and consumers. To understand their needs and expectations and how we at SCA best can meet these with our offerings, we engage in a continuous dialog with customers and consumers. Customer understanding and consumer insight determine the innovations we develop and how we formulate and carry out our business strategy.

Who are we there for?

SCA's operations interact with numerous different customers, markets and needs. Put simply, our products and services are there for customers, consumers and users. Customers are companies that buy SCA's products and services, for example, restaurants, construction companies, care providers, pharmacies or retailers. Consumers and users are the individuals who use our products. For example, a teenager who buys feminine care products at the supermarket, caregivers or residents at care facilities who use our incontinence products or a do-it-yourselfer who buys timber at a building materials supplier.

Understanding and insight

Customer understanding and consumer insight are at the core of what SCA develops and how it delivers innovations to the market.

Customers' needs influence the ideas we generate, which are then developed into finished products or services for the market. We monitor macro trends to identify changes in behavior and observe consumers' and customers' actual behavior. This is realized in a number of ways, including home visits by SCA, inviting focus groups to meetings and through in-depth interviews. Many valuable insights and ideas are identified in dialogs with SCA's sales representatives. We also gain insight into consumers' lives and perceptions of our products by following the discussions on our own websites, such as www.libero.com and www.girls1st.com, and on social media.

SCA's global presence means that we attempt to meet the needs that many people share. At the same time, SCA adapts products and services to local needs and cultures. For example, this

could apply to the packaging design or the appropriate colors for differing cultures. While Scandinavians prefer unscented products, scented products are appreciated in countries like Mexico and Italy.

Customer surveys as a tool for improvement

Customer feedback is important to be able to offer better products and solutions and every business unit has methods to investigate customer satisfaction.

The hygiene operations conduct a systematic customer follow-up. This includes both external reports and our own surveys. For example, SCA introduced a global system of customer follow-up in the incontinence products and tissue operations. These reports are important as decision support for SCA and provide an indication of customer satisfaction and improvement potential, for example, by providing a "Net Promoter Score."

In addition to products, SCA delivers crucial knowledge and support in the development of operations at such institu-

tions as nursing homes and, accordingly, highly values opportunities for direct customer contact. By so doing, we can make a difference and create value for our customers and users.

The retail trade accounts for a significant part of SCA's sales. The Group uses external comparison reports where the largest retail chains assess their suppliers based on such criteria as customer service, logistics, sales support, marketing and product development. Consumers who purchase retail products are followed up through general brand and product recognition surveys.

Unsatisfied customers

SCA has established procedures for managing customer complaints. All information received by the our customer service team is entered into SCA's global business system. We always try to compensate unsatisfied customers directly and determine whether a need exists for further measures beyond the individual case. For example, production personnel receive feedback to determine whether a production fault was the underlying cause.

The users' complaints and opinions provide valuable consumer insight and it is important that the knowledge gathered is transferred to the organization.



Continuous dialog with customers and consumers provides understanding and insight

Insight into and understanding of people's needs and behaviors are fundamental to SCA's innovations. We pursue a continuous dialog and interact with the market, where customer and consumer feedback forms the basis for new insights. Being receptive, available and reliable are our catchwords.

Tork EasyCube enhances visitors' experience

At Gröna Lund Amusement Park in Stockholm, Sweden, visitor experience is everything and a good impression of the park's washrooms is an important part of this experience. Tork EasyCube™ has not only increased visitor satisfaction, but also helped the park's caretakers do a better job. Tork EasyCube™ is an IT-based service that streamlines cleaning in public spaces, including washrooms. It provides real-time data on paper and soap consumption, and measures the number of visitors, giving an accurate overview of when and where toilets need to be cleaned and dispensers need to be

refilled. Gröna Lund was one of the first customers to start using Tork EasyCube™. Read the customer comments from Dragica Novacic, park support manager at Gröna Lund:

What has been your experience so far after installing Tork EasyCube?

From an operational perspective we see clear efficiency benefits. For example, installation of Tork EasyCube has eliminated unnecessary inspections of soap and paper dispensers, which saves time. We fill the empty dispensers at the right time, saving time in transportation and helping us to improve the level of service. Now our park caretakers only need to go to those washrooms that need cleaning or refilling. They now know exactly what needs to be refilled where and when, help-



ing to improve the visitors' experience while being more efficient.

Has this improved visitor satisfaction?

Visitor experience is crucial for Gröna Lund, and this applies to the visitors' perception of the washrooms as well. We have seen visitor satisfaction improving, the washrooms are cleaner and there is always sufficient soap and paper available which was not always the case in the past, according to previous visitor feedback. Tork EasyCube offers better visibility of the flow of visitors and which washrooms

TENA Men enables a continued active lifestyle

Incontinence is surrounded by social taboos. SCA works diligently to challenge these taboos and improve the lives of people suffering from incontinence. This work includes the development of products that simplify everyday life, as well as lending knowledge and information. Read about one of our consumers:

Six years ago, Jörgen Pihl had an operation for prostate cancer. Like many others, he was affected by incontinence problems after his surgery.



"Accept the situation and make the most of it."

"Incontinence does not directly prevent me from doing things, but everything has to be more carefully planned. Whenever I go somewhere new I check if there is a washroom and where it is located. By taking preventive measures, I've managed to avoid an accident while out," Jörgen tells us.

In addition, he always uses a pad. Jörgen takes out an extra pad that he usually keeps in his coat pocket and places it on the table.

"I want a small pad. I don't know whether it's true, but I think that a larger pad would be visible. This is usually sufficient. I always have an extra one with me, just in case. And I always wear jeans these days."

are used most frequently, which in turn helps us to guide visitors to other less frequented washrooms in the area.

How has this impacted your team of caretakers responsible for the washrooms?

Tork EasyCube's benefits in terms of efficiency have had a positive impact on our own organization. More employees want to be part of the team caring for the washrooms. Tork EasyCube allows us to better manage our time and people, resulting in a more efficient workflow, which gives us more control over the daily tasks and reduces unnecessary stress. The system is easy to operate and the tablet gives us all the information needed

at the right time. Our caretakers also feel they are providing a better quality service and they instantly see the results of their efforts. There are ergonomic benefits as well. Park caretakers visit only those washrooms that require refilling or cleaning and this further eliminates unnecessary lifting, bending or other activities that could otherwise impact them.

Have there been any cost benefits?

It has helped us to optimize our portfolio for washroom products and the new dispensers have enabled us to reduce soap and paper consumption. Tork EasyCube has helped us achieve greater efficiency, satisfied employees and an improved experience for the visitors.



The amusement park Gröna Lund in Stockholm uses Tork EasyCube.

Incontinence came as a shock.

"I had no idea. No one told me that incontinence and impotence are common side effects of prostate cancer surgery," explains Jörgen. "Initially, I had great difficulty accepting the situation and I was ashamed. A grown-up man should be able to control his bladder."

"Incontinence is like having a stone in your shoe you can't get rid of."

With time, it has been easier to accept and the feeling of shame has passed.

"Were I to advise others who suffer from this, it would be to try to accept the situation and still make the most of it."



During 2015, **TENA Men** relaunched its entire range in order to better meet the needs of men.

40,000 Tork dispensers

As of 2015, automobile manufacturer BMW uses paper towels, toilet paper and soap as well as 40,000 Tork dispensers in the sanitary facilities in all its German and Austrian sites. This means that the plants have a uniform hygiene solution that gives customers and employees a consistent and familiar setting while simultaneously improving hygiene conditions.

SCA also delivered Tork Xpressnap napkin dispensers to BMW's plant canteen in Dingolfing, Germany. During a trial period, napkin consumption was reduced by 30%. Consequently, BMW introduced the dispensers to all canteens in Germany and Austria.

BMW tested a variety of suppliers and products before ultimately choosing SCA. Combined with lower consumption and cost, high product quality and service level SCA's sustainability profile was a decisive factor for the collaboration.



SCA's strategy

SCA is a leading global hygiene and forest products company. SCA's strategy is based on a sustainable business model where value creation for people and nature is a condition for growth and profitability to ensure a successful company in both the short and long term.

Mission:

"To sustainably develop, produce, market and sell increasingly value-added products and services within hygiene and forest products markets for customers and consumers. Satisfying needs through understanding of customers and consumers, knowledge of local and regional market conditions and superior go-to-market approaches, combined with global experience, strong brands, efficient production and innovation."

Targets:

SCA's overall long-term objective is to generate increased value for our shareholders.

Return on capital employed

The Group's overall profitability target is to achieve a return on capital employed of 13% over a business cycle. The target is 30% for Personal Care, 15% for Tissue and to be in the top quartile of the industry for Forest Products.

Growth

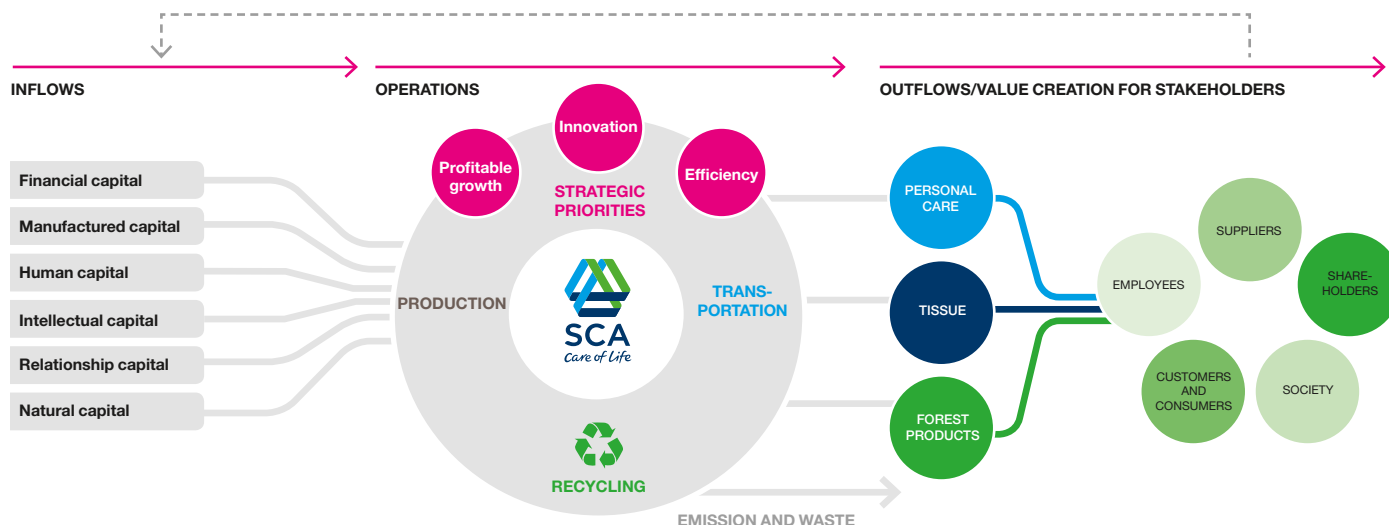
SCA's target for annual organic sales growth for Personal Care is 5–7%, while the target for Tissue is 3–4%. For Forest Products, the target is to grow in line with the market.

Strategic priorities

PROFITABLE GROWTH

Profitable growth through growing profitable market positions, improving or exiting under-performing positions, broadening its offering of product categories and expanding integrated solutions and services. In the digital segment, SCA is investing in digital products and services as well as increasing online sales.

Integrated business model



Capital structure

SCA's target is to have an effective capital structure at the same time that the long-term access to debt financing is ensured. Cash flow in relation to net debt shall take into account the target to maintain a solid investment grade rating.

People

SCA's people targets relate to people & nature innovations, hygiene solutions, Code of Conduct and employee health & safety.

Nature

SCA's nature targets focus on climate & energy, fiber sourcing & biodiversity and water.

TARGETS AND OUTCOME ON PAGES 30–33 ►

INNOVATION

Innovation to increase customer and consumer value, strengthen our market positions and brands, and drive profitable growth.

EFFICIENCY

Efficiency to strengthen SCA's competitiveness, cut costs and improve earnings.

READ MORE ABOUT THE STRATEGIC PRIORITIES ON PAGES 18–27 ►



Strategic
priority

Profitable growth

To achieve profitable growth, SCA works to grow profitable market positions, improve or exit under-performing positions, broaden its offering of product categories and expand integrated solutions and services. In the digital segment, SCA is investing in digital products and services as well as increasing online sales. SCA is well-positioned to leverage the growth potential existing in both mature and emerging markets. SCA's long-term goal is to be a leader and strengthen its brand positions in the markets that it serves. SCA's ambition is to increase the emerging markets' share of sales and profit. In addition to organic sales growth, SCA sees a potential to also grow through acquisitions. Increasing the hygiene business's share of the SCA Group has been a strategic step toward reducing the company's sensitivity to economic fluctuations and thereby ensuring a more long-term stable level of profitability and growth.



New production plant in Brazil

In 2015, SCA decided to invest approximately SEK 650m in a new production plant for incontinence products in Brazil. The investment will increase SCA's production capacity and improve SCA's profitability for incontinence products in Brazil in the long term. Brazil is the third largest retail market in the world for incontinence products and SCA is now the second largest company in the country with its global leading brand TENA and the local brand Biofral.

Investment in increased pulp capacity

To satisfy the growing demand for pulp, SCA decided in 2015 to invest in increased capacity for pulp production at Östrand pulp mill in Sweden. Over time, the investment will increase sales and competitiveness and create a world-class cost position and higher margins. The investment will amount to about SEK 7.8bn over a three-year period. Production is expected to commence in 2018.

North American Away-from-Home tissue acquisition

In 2015, SCA made a public bid on Wausau Paper Corp., one of the largest AfH tissue companies in the North American market. The acquisition of Wausau Paper is an excellent strategic fit for SCA and strengthens SCA's presence in North America. The Wausau Paper product portfolio complements SCA's offering in North America and gives SCA access to premium tissue in the region. The acquisition is expected to generate annual synergies of approximately USD 40m, with full effect three years after closing. The restructuring costs are expected to amount to approximately USD 50m. The transaction was completed on January 21, 2016.

Strengthened cooperation with Vinda in Asia

Asia is an important growth market for SCA with a large population and low penetration of hygiene products. In 2015, SCA decided to divest its business in Southeast Asia, Taiwan and South Korea for integration with Vinda. Since 2013, SCA has been the majority shareholder in Vinda, one of China's largest hygiene companies. This transaction strengthens the collaboration

between SCA and Vinda and enables us to further leverage the companies' joint strengths to build a leading Asian hygiene business.

Addressed areas with weak profitability

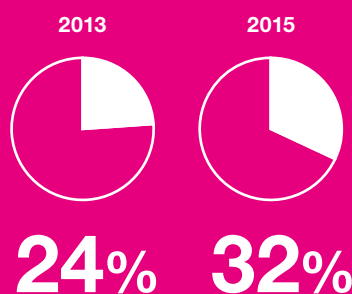
In 2015, SCA addressed areas where the Group has weak profitability and weak market positions. Last year, SCA exited the baby diaper markets in Brazil and South Africa and changed to an export business for baby diapers in Thailand.

Outcome 2015

Net sales rose 11% to SEK 115,316m (104,054). Organic sales growth, which excludes exchange rate effects, acquisitions and divestments, was 5%, of which volume accounted for 3% and price/mix for 2%. Organic sales growth was 2% in mature markets and 11% in emerging markets. Emerging markets accounted for 32% of sales.

Operating profit, excluding items affecting comparability, rose by 10% to SEK 13,014m (11,849).

The share of SCA's net sales attributable to emerging markets has increased



SCA provided training for 33,000 nurses worldwide in incontinence and skincare in 2015.

Strategic
priority



Together with the launch of TENA Men Protective Shield, a new commercial was released featuring the fictive, fearless and active gentleman Stirling Gravitas in the lead. It is the second commercial starring Stirling introduced with the Keep Control campaign in spring 2015.

Innovation

SCA's offerings simplify everyday life for millions of people worldwide. All of this begins and ends with innovation. By maintaining close proximity to our customers and consumers, understanding their needs and transforming this knowledge into products, SCA makes a difference in people's everyday lives.

SCA's innovation process is deeply embedded in the Group's strategy and business model. Innovation activities are based on market trends, customer and consumer insight, new technology and new business models. SCA also takes sustainability aspects and product safety into consideration throughout the process. SCA's presence in both mature and emerging markets provides a good understanding of trends and needs.

All innovation starts with an insight

All of SCA's innovation work starts with an insight about a customer or consumer need. This insight will guide the innovation work on how to improve existing products, satisfy new needs and build

our brands. With leading brands such as TENA, Tork, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, Vinda and Zewa, improved product performance is essential for ensuring attractive offerings and strong brands.

Innovation drives growth and profitability and is one of the company's three strategic priorities.

Innovation creates value for our business by increasing customer and consumer satisfaction and cutting costs. One of the aspects the innovation teams take into account is to improve efficiency, for example in how we use raw materials and optimize transportation. This means both lower environmental impact and lower costs. Innovation is also paramount in our marketing in order to find new ways to market our offering.



Inspiration and a lot of hard work

Innovation work is supported by SCA's innovation teams across the globe and a well-developed innovation culture. SCA's strategy is to increase the pace of innovation, capitalize on global economies of scale and ensure that all segments have a competitive and balanced portfolio of innovations. Particular focus is given to exploring the possibility of broadening the product portfolio and expanding the range of services.

Every day, numerous employees are involved in innovation at the company. Their work requires insight, inspiration, creativity, systematic development and risk taking – and a lot of hard work and discipline.

To further harness our employees' creativity and good ideas, SCA has created an internal innovation platform. It can be used during all stages of a project to ask for help with solutions and find people with the right expertise. SCA also encourages

open innovation – meaning cooperation with external parties. Open innovation is an important part of the innovation process and offers a number of benefits, such as providing input from adjacent industries, speeding up development processes and cutting costs.

In 2015, SCA introduced approximately 30 innovations and product launches and applied for 54 patents.

When looks matter – from insight to the new Tork Image Design™

A solid customer insight showed an existing need for a new dispenser line for customers where looks matter. A design brief was developed identifying the key criteria for this new dispenser line: a pure material, discreet, elegant and smooth lines that blend into interiors without taking over, while at the same time enhancing the visitor's overall experience of the establishment.

The initial feedback was positive and showed we were on the right track to move the project into the development phase. We started by developing engineering concepts, reviewing drawings, identifying and building relationships with potential suppliers and validating tools before starting up production. In parallel, the communication and go-to-market plans were outlined, anchored and executed together with the business units.

This customer insight resulted in a merger between form and function, delivering a beautifully designed and complete range of washroom dispensers to our image-conscious customers.



„Cleanliness is vital to my business – the customer's perception of our kitchen is based on their visit to the washroom. Design is an important part of a washroom upgrade, but it has to blend in with our overall style.”

Per Bengtsson, founder of the restaurant PM & Vänner in Växjö, Sweden, user of Tork Image Design.

Innovations strengthens our brands



Tork Image Design™ is an elegantly designed and complete range of washroom dispensers with smooth surfaces and clean lines for customers who want their interior facilities to reflect the company's image. The dispenser line has a brushed stainless steel exterior featuring anti-fingerprint protection.

Digital products

TENA Identifi™ is an innovation with sensor technology that automatically captures data about individual voiding patterns, both daily patterns and volume during a 72-hour period. After three days' observation, the care staff can discern a pattern for the patient in terms of frequency and volumes that provides entirely new opportunities to determine a continence plan and apply incontinence products as necessary. TENA Identifi™ has been designed according to an expressed need among SCA's customers in elderly care and SCA thereby supports customers by addressing higher demands for active continence care. The value is both financial and qualitative; the care staff receives a clear basis for improving work and the individual a more dignified life. TENA Identifi™ was launched in 2013.



The Internet of Things solutions from Tork are packaged under the name **Tork Solutions**. The common denominator is that they offer intelligent solutions for public spaces, including washrooms, that improve efficiency, quality and communication. Tork Solutions includes both **Tork EasyCube™** och **Tork SmartFresh™**. Tork EasyCube™ analyzes real-time data about the number of visitors and levels in dispensers so that caretakers know what needs to be refilled and where cleaning is needed. This makes their work more efficient, offers a better work situation and more satisfied customers. Tork SmartFresh™ is an automatic toilet system that keeps toilets clean and fresh, makes cleaning easier and faster, and delivers real-time data to facilitate more effective cleaning. Tork SmartFresh™ also offers an innovative and effective communication channel that can generate income. Tork EasyCube™ and Tork SmartFresh™ were launched in 2014.



lights™ by TENA Ultra Towels Normal and Ultra Towels Normal with Wings are specially designed to deal with little leaks. Their FeelFresh™ technology quickly absorbs and locks in liquid and odors to provide a dry and fresh feeling.



Our strong brands



SCA provides products and solutions that make everyday life easier for people. We are proud that many of our 80 customer and consumer brands around the world hold a number one or two position. Listening to our customers and consumers and developing innovations that meet their requirements and needs, strengthens our brands and is a key part of our success.

SCA was founded in 1929 but the company's roots stretch back to 1673 when an industrial business was started in northern Sweden. Every day we challenge ourselves

with the ambition to exceed the expectations of our customers and consumers. We strive to find new ways to solve many of life's everyday challenges so that people can have a better and more sustainable lifestyle.

In today's connected world, a leadership position is more than market shares. It is also about inspiring confidence and being able to trust a company and its products. SCA will never take this confidence for granted and we are always striving to improve.

With innovative and sustainable products that fulfil the needs of our customers and consumers we develop strong brands and provide added value to our stakeholders. Moreover, customers and consumers need to feel safe that behind every brand there is a strong and trustworthy company.

For several years, SCA has transformed as a company and is today a leading global hygiene and forest products company. SCA's participation with its female Team SCA in the Volvo Ocean Race 2014–2015 is among the activities that have had profound impact on building our brand. The project was a part of the endorsement strategy to more strongly connect our corporate brand with our customer and consumer brands around the world.

The Team SCA project gave us a unique global marketing platform that enabled SCA to showcase our commitment to empowering women around the world. It was the first time in over ten years that a female team participated in the race. Team SCA's participation in the world's toughest ocean race inspired women



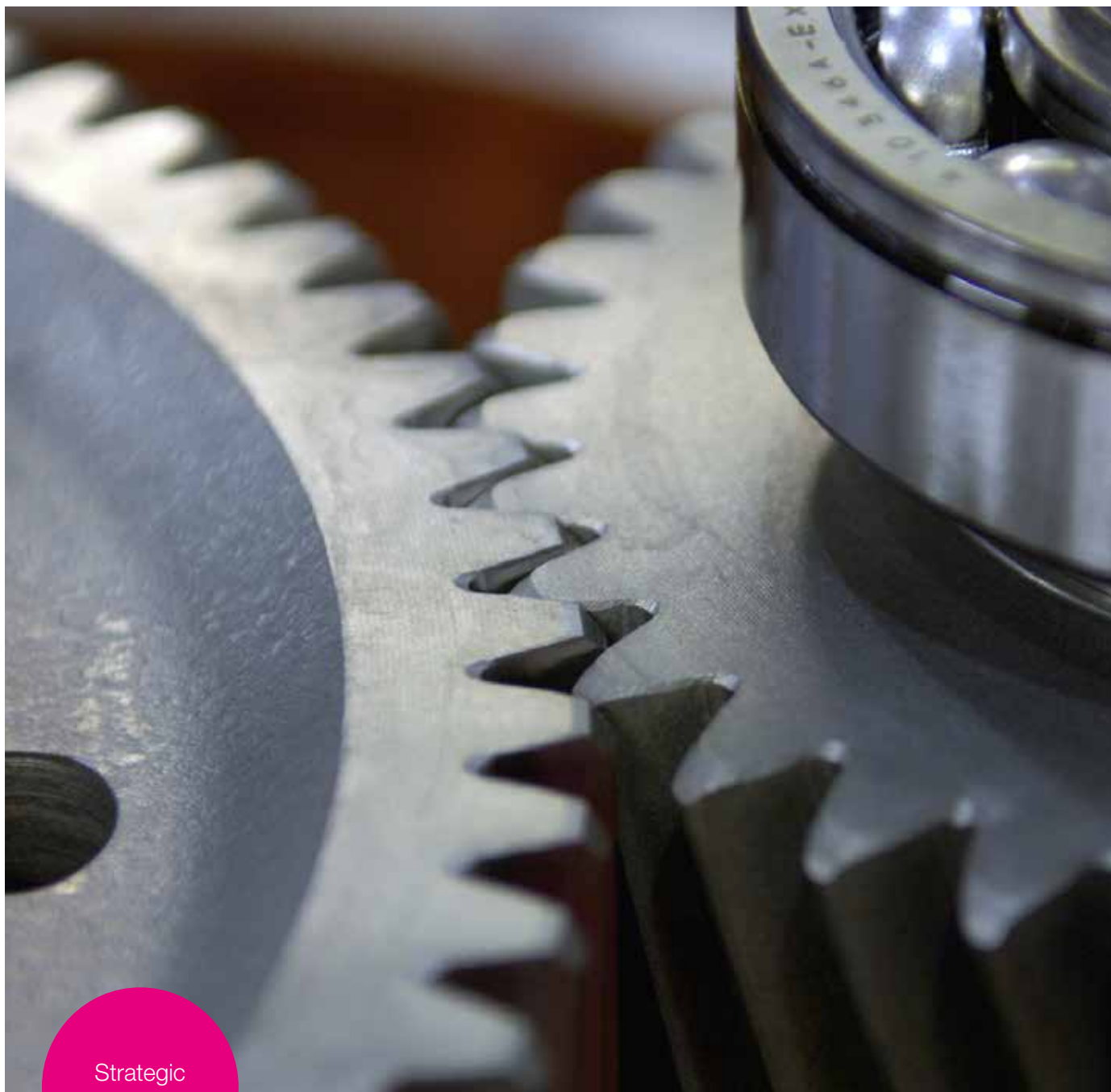


and men around the world to pursue their goals and dreams. The participation also served as a platform to strengthen SCA's reputation as an innovative and sustainable company with the ambition to elevate the standard of hygiene in the world. To do so, hygiene seminars, hygiene courses and CSR activities, such as planting trees, were carried out.

While the project has come to an end, SCA continues its brand journey. Through our daily efforts, we showcase how hygiene affects health and, through this work, make it easier for people to build better lives. We continue to break-down the taboos around hygiene that may jeopardize the health of millions of people and women in particular. Toward this end, SCA produces the Hygiene Matters

Report, a global insight report aimed at raising around the world awareness about and the link between hygiene and health. The latest report was launched together with Team SCA in the Volvo Ocean Race and was presented by SCA in conjunction with the stopovers. On several occasions, seminars were held together with the UN organ WSSCC, Water Supply and Sanitation Collaborative Council, to discuss the importance of hygiene and sanitation so that women can play a part in building society. Hygiene Matters also addresses hygiene initiatives from SCA such as information and training in schools, workplaces and hospitals. Through all these activities SCA builds its brand while simultaneously creating value for people and nature.





Strategic
priority

Efficiency

SCA continuously works to improve efficiency to strengthen the Group's competitiveness, cut costs and improve earnings. A more effective supply chain can be achieved by improving production and supplier efficiency and better leveraging economies of scale. Enhanced capital efficiency, lower costs and strengthened cash flow are achieved through efficiency enhancement and savings measures, as well as the optimization of capital employed in all parts of the

Group. Establishing more efficient production and processes strengthens the Group's competitiveness and enables SCA to improve its customer service and customer satisfaction. In most cases, this also results in positive environmental effects. Global functions in the hygiene operations relating to such areas as innovation and brand activities, as well as production, sourcing and logistics, generate cost synergies and enable efficient resource allocation.

Acquisition of Georgia-Pacific

The cost-savings program related to the acquisition of Georgia-Pacific's European tissue operations was completed at the end of 2015. The savings pertained to production, sourcing, logistics, sales and administration. As part of the cost-savings program in 2015, SCA closed a tissue production plant in France. Savings in 2015 amounted to approximately SEK 930m.

Efficiency improvement measures within Forest Products

The global demand for publication paper has declined during several years, primarily for newsprint, and SCA's Ortvikens paper mill in Sweden has reported weak profitability. Consequently, SCA closed down a newsprint machine at the Ortvikens paper mill and recognized an impairment loss for the mill in 2015. Ortvikens remains one of the world's largest publication paper mills and has the prerequisites to be one of the most competitive. Efficiency improvement measures are being implemented at the kraftliner mills in Obbola and Munksund in Sweden. The closure, impairment loss and efficiency improvement measures entail total costs of approximately SEK 1.4bn and will result in annual cost savings of about SEK 180m, of which approximately SEK 120m is attributable to lower depreciation, with full impact in 2017.

Global Safety Week

SCA's aim is zero workplace accidents. To reinforce behavior in relation to safety awareness and thereby further reduce the number of workplace accidents, SCA held a global safety week for the first time in 2015. The purpose of the week is to direct more focus on the physical work environment, and to promote a culture where safety comes first and where there is substantial awareness of safety rules in order to reduce the number of workplace accidents.



**"DAD, WORK SAFELY SO YOU CAN COME HOME
AND PLAY BALL WITH MOM AND ME."**

Emma and Amanda Harville, Daughter and wife of Nathan Harville, Barton – USA

Our aim is zero workplace accidents.
That's why we are holding the **Global Safety Week** –
an SCA initiative for maximum safety at work.
Be part of it!

SCA
GLOBAL SAFETY WEEK
2015

Sustainability

Good for society and good for SCA

Long-term value can only be created if companies simultaneously create value for their operating environment. By turning social challenges into business opportunities, SCA creates the conditions for profitable growth.

2015 was a year with a global sustainability focus. The UN adopted 17 Global Goals Sustainable for Development and the UN COP 21 climate change conference in Paris saw the global community agree to limit the global temperature rise to 1.5 degrees Celsius. Meeting these commitments will require new ways of working and cross-border cooperation – a transition in which the business community will play a key role. Both the global sustainability goals and the climate agreement have direct links to SCA's business, mainly in terms of health and well-being, water and sanitation, energy and climate, and sustainable consumption.

SCA creates value that encompasses economic, social and environmental dimensions, which SCA's incontinence care offering is a good example of. These individually designed solutions free up time for caregivers and relatives, while also reducing the amount of laundry and waste generated. If people can work, or receive care at home instead of at an institution, costs to society are substantially reduced. But most importantly, people are able to enjoy a better quality of life and live more active lives.

About the Sustainability Report

SCA publishes a Sustainability Report each year. The Global Reporting Initiative (GRI) G4 core guidelines are applied in the report and a detailed GRI index table is available at www.sca.com. The Sustainability Report was reviewed in its entirety by PwC.

SCA's Sustainability Report is available in English and Swedish in a printed version and at www.sca.com. The Sustainability Report is also SCA's Communication on Progress, a document required of all Global Compact signatories.

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. Read more at www.sca.com or in SCA's 2015 Sustainability Report.



Hand washing is an effective and cheap way for society to prevent the spread of disease. We conduct regular educational initiatives in hand washing and during the year, SCA and Vinda implemented a program in China. The program used the "Ella's hand washing adventure" app to teach preschoolers and households about the importance of hand hygiene.

Global warming is one of the most serious problems in the world today, and SCA is committed to finding climate-change and energy-efficiency solutions. We constantly endeavor to find smarter and more efficient ways of working, which benefits both SCA and the environment. For example, the company's investment in a new biofuel plant in Nokia, Finland, is increasing operational efficiency and reducing energy costs, while at the same time cutting carbon emissions by 40%. Resource efficiency is a top priority, not only with respect to energy and water, but also to raw materials, transport activities and minimizing waste.

SCA is a major producer of renewable energy and is always looking for new, innovative solutions. In 2015, we decided to

build a pilot plant for the production of bio-diesel at our kraftliner mill in Obbola.

We want to help our customers and consumers make sustainable, informed decisions when choosing brands and products. This means that our innovation work is based on a life cycle perspective and that product safety and transparency are of the utmost importance.

Ethics are a top priority and SCA carries out ongoing employee training in order to minimize the risk of unethical behavior in its operations. In 2015, we conducted extensive training in competition law (anti-trust).

In recent years, SCA has devoted considerable focus to its health and safety efforts, adopting a vision of zero workplace accidents. During the year, the company held its first SCA Global Safety Week, with a range of activities to promote the message that everyone should be able to return home safely from work. Safety statistics continued to improve, with a 31% reduction in the accident frequency rate between 2011 and 2015.

SCA conducts regular educational initiatives in hand washing and teaches preschoolers about the importance of hand hygiene.



Leadership, culture and employees

Dedicated employees are crucially important to SCA's efforts to create a dynamic corporate culture and drive innovation and results. Our employees are essential to SCA's ability to remain successful and achieve our targets.

Team SCA erases borders

Our Team SCA project was an effective way to motivate and unite our employees around the world by offering a wide range of shared activities throughout the organization and encouraging cross-border interactions.

Our aim was to encourage as many people as possible to become involved in the race and follow our all-women's Team SCA. In one example, employees were encouraged to work as hosts at SCA's pavilion during the various stopovers. Our employees served as brand ambassadors, marketing and presenting SCA, our values and brands to the people visiting the pavilion.

Dedicated employees who continuously advance SCA

In 2015, SCA conducted its third global All Employee Survey. This year's survey received the highest response rate to date at 88.3% and SCA achieved a good result

in many perspectives. The All Employee Survey is a tool for measuring various aspects of SCA's corporate culture, such as leadership, teamwork and employee commitment. By gathering feedback from our employees, we are able to assess their perception of SCA and compare ourselves against other high-performance organizations. The results of the survey are used to develop the company and establish the right conditions to help our employees meet their goals and deliver results.

The results of this year's survey showed a significant improvement across the Group as a whole, especially in our focus areas. SCA received particularly high results in such areas as commitment, company image and culture, and goal-orientation. These results indicate a positive, inclusive and result-focused company culture that encourages commitment and loyalty.

Result-focused leaders

Responsive, dedicated leaders are pivotal to the successful implementation of SCA's strategy. The SCA Leadership Platform serves as the basis for all leadership development in the company. In 2015, we continued to develop leaders through our various leadership programs: Leadership@SCA, Core 1 – People Engagement & Performance, Core 2 – Implementing Strategy & Leading Change, Driving Business Performance and Creating Value. These programs play a crucial role in our leadership development.

Employees who develop to achieve their potential

All SCA employees are responsible for their own development, based on individual development plans that combine the Group's business needs and the employee's individual aspirations. In 2015, SCA focused on identifying, implementing and developing its functional capabilities, which are specified in shared descriptions of the abilities and behaviors we expect and on which employee development is to be based.

Life Inspiring Careers

SCA offers its employees an opportunity to establish a career in a global company focused on quality, innovation, business performance and sustainability. In 2015, we launched the second round of the "SCA GO! Program," which provides recent graduates in the areas of sales, marketing, research and development, and production an opportunity to find their first job. The program includes both introductory activities, as well as challenging project work to help the graduates develop skills and create a contact network for the future.



Proud employees working as pavilion hosts during the Team SCA project.

Targets and outcome

Group and business area targets

Return on capital employed

TARGET

The Group's overall profitability target is to achieve a return on capital employed of 13% over a business cycle. The target is 30% for Personal Care, 15% for Tissue and to be in the top quartile of the industry for Forest Products.



Group

Personal Care

Tissue

Forest Products

13%

30%

15%

Top quartile
of the industry

OUTCOME 2015

Group

Personal Care

Tissue

Forest Products

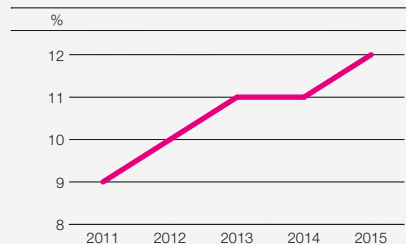
12%

29%

13%

7%

Return on capital employed



— Return on capital employed

Excluding items affecting comparability.

2012 and 2013 restated in accordance with IFRS 10 and 11.

The Group's return on capital employed, excluding items affecting comparability, was 12%. The return on capital employed, excluding items affecting comparability, was 29% for Personal Care and 13% for Tissue. The return on capital employed, excluding items affecting comparability, for Forest Products was 7%.

Growth

TARGET

SCA's target for annual organic sales growth for Personal Care is 5–7%, while the target for Tissue is 3–4%. For Forest Products, the target is to grow in line with the market.



Personal Care



Tissue



Forest Products

5–7%

3–4%

**Grow
in line with
the market**

OUTCOME 2015

Group	Personal Care	Tissue	Forest Products
5%	7%	5%	3%

The Group's organic sales growth amounted to 5%. Organic sales growth was 7% for Personal Care and 5% for Tissue. Organic sales growth for Forest Products amounted to 3%.

Capital structure

TARGET

SCA's target is to have an effective capital structure at the same time that the long-term access to debt financing is ensured. Cash flow in relation to net debt shall take into account the target to maintain a solid investment grade rating.

OUTCOME 2015

SCA had a solid investment grade rating.

Targets and outcome

Targets for people and nature



People & nature innovations

TARGET

We will deliver better, safe and environmentally sound solutions to our customers. We strive to continuously improve resource efficiency and environmental performance considering the whole lifecycle for new innovations.

OUTCOME 2015¹⁾

43% of SCA's innovations improved in terms of social and/or environmental criteria.

Examples of SCA's people and nature innovations include TENA Flex, TENA Pants, TENA Slip, TENA Comfort with ConfioAir, TENA Identifi, Tork EasyCube and Libero Touch.

Status: ●

Share of people and nature innovations

43%



Hygiene solutions

TARGET

We will make our knowledge about hygiene available to customers and consumers and ensure access to affordable, sustainable hygiene solutions to help them lead a healthy and dignified life. In markets in which we operate we will:

- Provide information on hygiene matters around our products and services.
- Strive to implement education programs for girls, women and caregivers.
- Strive to offer the best value for consumers making hygiene solutions affordable to everyone.

OUTCOME 2015¹⁾

SCA held the number one or two position in at least one hygiene product segment in about 90 countries.

Around 500 million people used SCA's products every day.

The hygiene training SCA conducts worldwide reached 2,000,000 people.

We offered a broad portfolio of products ranging from the premium segment to the economy segment.

Status: ●

Millions of people who used SCA products every day

500



Code of Conduct

TARGET

We will maintain compliance with our SCA Code of Conduct. All employees will receive regular training in the Code.

Our SCA supplier standard will be used to drive shared values and priorities throughout our supply chain. We will use it in all our supply chain contracts by 2015.

OUTCOME 2015¹⁾

91% of employees received Code of Conduct training.

Status: ●

84% (75) of SCA's global hygiene supplier base and 86% (83) of the forest products supplier base had signed the SCA Global Supplier Standard.

Status: ●

Employees trained in the Code of Conduct

91%



Employee Health & Safety

TARGET

Our aim is zero workplace accidents, and we will decrease our accident frequency rate by 25% between 2011 and 2016.

OHSAS 18001 will be implemented at all main sites by 2016.

OUTCOME 2015¹⁾

The accident frequency rate was 6.3 (6.7) per million hours worked, down 6%. Compared with the reference year 2011, this is a 31% decrease.

Status: ●

By the end of 2015, 68% (52) of SCA's 65 main sites were certified according to OHSAS 18001.

Status: ●

Reduction in accident frequency rate

-6%

¹⁾ Excluding Vinda.

Measurable targets and follow-up are key drivers for SCA's sustainability work. Transparent targets also make it easier for internal and external stakeholders to follow the progress of the company's sustainability efforts.

Status:

- = Not according to schedule
- = Not according to schedule, actions identified
- = According to schedule



Climate and energy

TARGET

We will reduce CO₂ emissions from fossil fuels and from purchased electricity and heating by 20% by 2020, with 2005 as reference year.

We will triple our production of biofuels from our forests by 2020, with 2010 as reference year.

The production of wind power on SCA forest land will increase to 5 TWh by 2020.

OUTCOME 2015¹⁾

At year-end 2015, CO₂ emissions in relation to the production level had declined by 17.4%, compared with the reference year of 2005.

Status: ●

SCA's production of biofuel from its own forests amounted to 610 GWh (687).

Status: ●

Wind energy from SCA forest land totaled 1.9 TWh (1.1).

Status: ●

Reduction in CO₂ emissions

-17.4%



Fiber sourcing & Biodiversity

TARGET

We will achieve and maintain our target of zero fresh fiber-based material from controversial sources*, including pulp.

We will preserve the biodiversity of our forests. A minimum of 5% of our productive forest land will be set aside from forestry in our ecological landscape plans and a further 5% will be set aside as part of our consideration for nature in our managed forests.

OUTCOME 2015¹⁾

All deliveries of pulp to SCA's facilities meet the requirements of the Group target. All of SCA's wood-consuming units are reviewed by independent auditors and meet the requirements of the Group target.

Status: ●

7% of SCA's productive forest land has been set aside from forestry in the long term in our ecological landscape plans. In 2015, 14% of the area in the locations planned for harvesting was set aside for preservation.

Status: ●

Productive forest land set aside from harvesting

14%



Water

TARGET

We aim to achieve water sustainability and we will reduce our water usage in water-stressed regions by 10% by 2015, with 2010 as reference year.

All SCA pulp and paper mills will employ mechanical and biological water treatment plants by 2015.

OUTCOME 2015¹⁾

By year-end 2015, water usage in water-stressed regions in relation to the production level had declined by 18.7%, compared with the reference year of 2010.

Status: ●

Mechanical and biological treatment systems have been installed at all of the Group's 43 pulp and paper mills.

Status: ●

Reduction in water usage in water-stressed regions

-18.7%

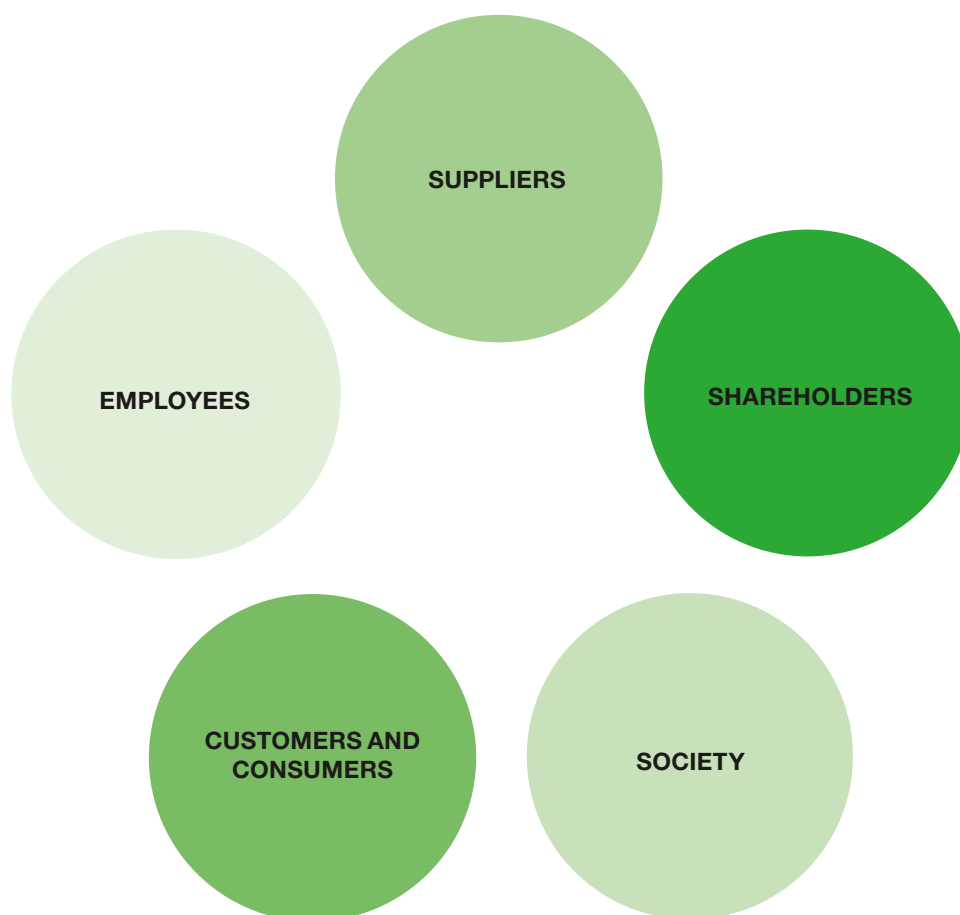
* Controversial sources are defined as:

- Illegally logged timber.
- Timber from forests with a high conservation value.
- Timber from areas where human rights or traditional rights of indigenous people are being violated.

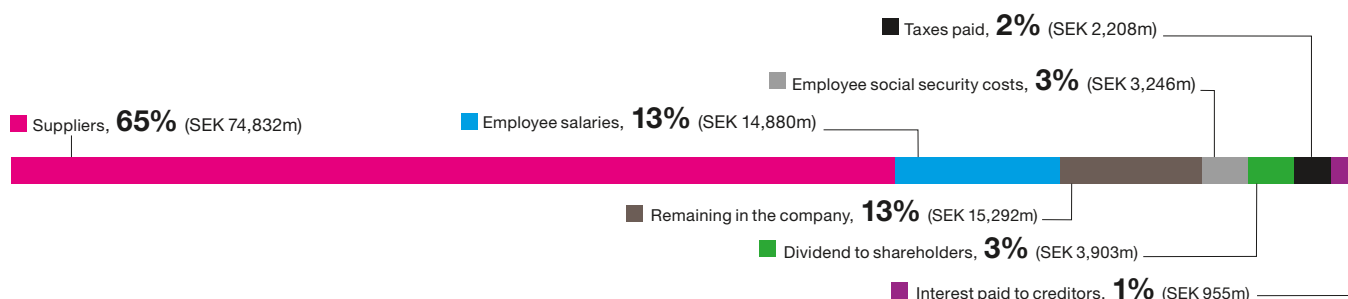
We create value

for our stakeholders

SCA's business model and strategy aim to deliver maximum value for our stakeholders. By developing, producing and selling sustainable personal care products, tissue and forest products, SCA creates value for shareholders, customers and consumers, suppliers, employees and society.



Economic value creation by stakeholder in 2015



Shareholders

SCA's overall long-term objective is to generate increased value for our shareholders. This is achieved through a positive share price trend and dividends. SCA aims to provide long-term stable and rising dividends to its shareholders. When cash flow from current operations exceeds what the company can invest in profitable expansion over the long term – and under the condition that

the capital structure target is met – the surplus shall be distributed to the shareholders.

Outcome 2015: SCA's share price rose 46% in 2015. The Board of Directors proposes an increase in the dividend by 9.5% to SEK 5.75 (5.25) per share. Accordingly, dividend growth in the most recent five-year period amounted to 7.5%.

Customers and consumers

SCA simplifies everyday life for millions of people worldwide. To create additional customer and consumer value, SCA focuses on developing new, attractive products and services, evolving and improving its existing offerings, and expanding its range. With its comprehensive customer and consumer insight, SCA aims to not only meet consumers' needs, but also exceed their expectations. SCA also works to provide information about hygiene and its hygiene products and solutions. In emerging markets, SCA sells hygiene products and solutions that are specially adapted to

consumers with limited resources.

Outcome 2015: SCA held the number one or two position in at least one hygiene product segment in some 90 countries. We offered a broad portfolio of products ranging from the premium segment to the economy segment and introduced approximately 30 innovations and product launches during the year. SCA continued to educate young women about menstruation and puberty, as well as educating children about the importance of hand hygiene and providing training for nurses in the field of incontinence care.

Suppliers

SCA strives to have transparent, long-term relationships with its suppliers to guarantee both high quality and financial stability for both parties. Purchasing accounts for SCA's single largest expense. To achieve economies of scale, input goods, such as pulp, electricity and chemicals, are purchased centrally. SCA's goals in the area of responsible sourcing encompass all suppliers of raw materials and input goods. The SCA Global Supplier

Standard serves as a basis for ensuring that the company's suppliers meet the highest standards in terms of social and environmental responsibility and product safety.

Outcome 2015: SCA paid approximately SEK 74.8bn to its suppliers during 2015. A total of 84% of SCA's hygiene supplier base and 86% of the forest products supplier base had signed the SCA Global Supplier Standard.

Employees

Our employees are SCA's most important asset. The Group depends on motivated and competent employees who are willing to think outside the box and contribute to the company's success. Employee commitment and performance are critical to SCA's ability to successfully pursue its strategy, meet its goals and continue to develop. All professional development at SCA has its starting point in the Group's business goals, and harmonizes the individual's ambitions with the Group's expectations. We create value for our employees by offering professional development opportunities and a stimulating, safe and healthy work environment. SCA

offers employment terms and benefits that are in line with prevailing market terms.

Outcome 2015: During 2015, SCA paid approximately SEK 14.9bn in salaries to our employees. In 2015, SCA conducted its third global All Employee Survey, which received the highest response rate to date at 88.3%. The All Employee Survey is a tool for measuring various aspects of SCA's corporate culture, such as leadership, teamwork and employee commitment. The results help SCA to continuously develop and improve.

Society

SCA contributes to the local economy as a major employer in many regions and through its community involvement. Aside from income tax, SCA also pays customs duties, property taxes, payroll taxes, pension taxes, and energy taxes.

Social challenges can serve as a source of innovation and development for companies' business models and product offerings. SCA's operations related to health and hygiene provide excellent solutions to some of the challenges faced by society in both mature and emerging markets.

SCA also participates in the community through projects with a clear link to the company's values, expertise, operations and geographic presence. The focus of these projects is on hygiene and health, often related to women and children.

Outcome 2015: SCA paid SEK 2.2bn in income tax in 2015. Payroll taxes for the year amounted to SEK 3.2bn. SCA invested approximately SEK 37m in 400 local community involvement projects during the year.

The SCA share

SCA shares are quoted and traded on NASDAQ OMX Stockholm, and as American Depositary Receipts (ADR level 1) in the US through Deutsche Bank. The final 2015 closing price on NASDAQ OMX Stockholm for SCA's B share was SEK 246.50 (168.90), corresponding to a market capitalization of SEK 173bn (119) at December 31, 2015. In 2015, the price of SCA's B share rose 46%, while the OMX Stockholm 30 Index declined 1% during the same period. The highest closing price for SCA's B share during the year was SEK 256.80, which was noted on November 4. The lowest price was SEK 163.10 on January 7. The proposed dividend is SEK 5.75 (5.25) per share. For more information, refer to the section "Dividend and dividend policy" on page 38.

Index

On NASDAQ OMX Stockholm, SCA is included in the OMX Stockholm 30 Index, OMX Nordic 40 and in the Personal & Household Goods sector within Consumer Goods. In addition to indexes directly linked to NASDAQ OMX Stockholm, SCA is included in other indexes, such as the FTSE Eurofirst 300 Index and FTSE Global Equity Index. Within MSCI, SCA is included in Household Products within Consumer Staples. SCA is also represented in sustainability indexes, including the Dow Jones Sustainability World Index, Dow

Jones Sustainability Europe Index, FTSE-4Good, OMX GES Sustainability Sweden PI and OMX GES Sustainability Nordic PI.

Liquidity

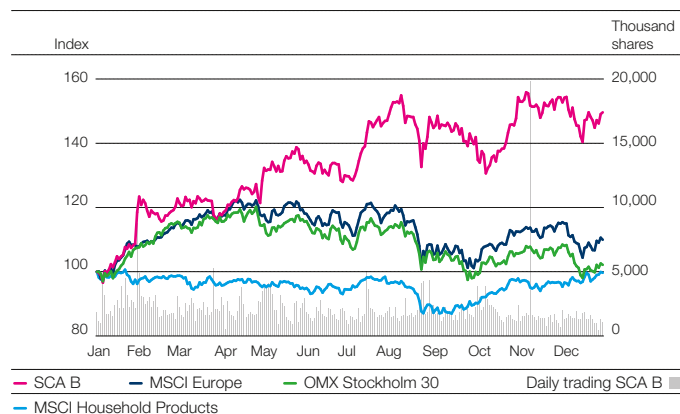
In 2015, the volume of SCA shares traded on NASDAQ OMX Stockholm was about 540 million (495), corresponding to a value of approximately SEK 119bn (88). Average daily trading for SCA on NASDAQ OMX Stockholm amounted to approximately 2.2 million shares, corresponding to a value of approximately SEK 474m (354). During the year, trading on BATS Chi-X

amounted to approximately 228 million SCA shares, trading on Turquoise to about 55 million SCA shares and trading on other marketplaces to approximately 11 million SCA shares.

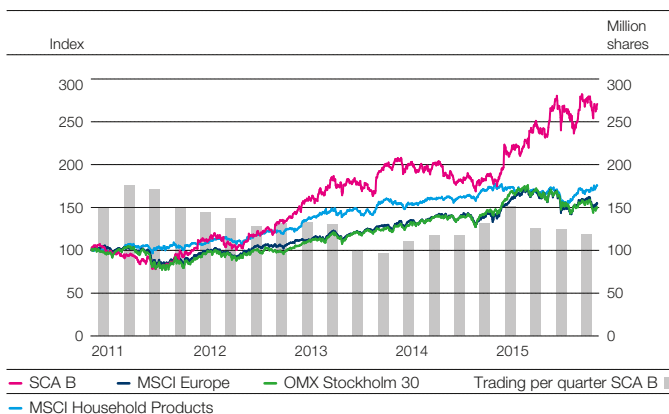
Ownership

Some 36% (39) of the share capital is owned by investors registered in Sweden and 64% (61) by foreign investors. The US and the UK account for the highest percentage of shareholders registered outside Sweden. Of SCA's shareholders, at least 14% perform sustainability assessments.

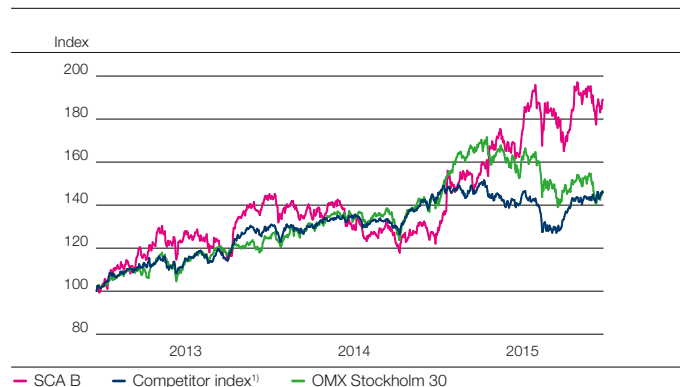
Total shareholder return 2015



Total shareholder return 2011–2015



Total shareholder return 2013–2015



¹⁾ Weighted index of competitors' total shareholder return. Competitors are selected to reflect SCA's operations. The index is used when comparing the SCA share performance over a three-year term for the long-term portion (LTI) of senior executives' variable remuneration.

SCA's ten largest shareholders

At December 31, 2015, the following companies, foundations and mutual funds were the ten largest registered shareholders based on voting rights:

SHAREHOLDERS	No. of A shares	No. of B shares	Votes (%)	Capital (%)
AB Industrivärden	35,250,000	35,585,407	29.6%	10.0%
Norges Bank Investment Management	8,062,657	32,342,815	8.6%	5.7%
SHB Oktogonen Foundation	3,150,000	–	2.4%	0.4%
SHB pensionsstiftelse	3,050,876	–	2.3%	0.4%
Skandia	2,010,481	1,868,339	1.7%	0.6%
Swedbank Robur Funds	–	16,724,003	1.3%	2.4%
AMF Insurance and Funds	–	15,297,976	1.2%	2.2%
SHB pensionskassa	1,303,000	–	1.0%	0.2%
SCA's Personalstiftelse	982,845	74,406	0.8%	0.1%
Första AP-fonden	–	7,433,749	0.6%	1.1%

Source: Modular Finance AB

Data per share

All earnings figures include items affecting comparability unless otherwise indicated.

SEK per share unless otherwise indicated	2015	2014	2013	2012	2011
Earnings per share after full tax:					
After dilution	9.97	9.40	7.90	7.06	0.78
After dilution, excluding items affecting comparability ⁷⁾	11.82	11.07	9.07	10.25	8.00
Before dilution	9.97	9.40	7.90	7.06	0.78
Market price for B share:					
Average price during the year	222.03	178.87	168.27	116.77	95.80
Closing price, December 31	246.50	168.90	198.00	141.00	102.00
Cash flow from current operations ^{1) 7)}	14.08	11.60	8.90	10.59	7.55
Cash flow from operating activities	19.92	16.92	13.43	15.95	14.44
Dividend	5.75 ²⁾	5.25	4.75	4.50	4.20
Dividend growth, % ³⁾	8	7	6	0	1
Dividend yield, %	2.3	3.1	2.4	3.2	4.1
P/E ratio ⁴⁾	25	18	25	20	N/A
P/E ratio, excluding items affecting comparability ^{4) 7)}	21	15	22	14	13
Price/EBIT ^{5) 7)}	19	15	19	21	47
Price/EBIT, excluding items affecting comparability ^{5) 7)}	16	14	17	15	14
Beta coefficient ⁶⁾	0.70	0.77	0.62	0.86	0.83
Pay-out ratio (before dilution), %	58	56	60	64	N/A
Equity, after dilution ⁷⁾	107	103	96	88	87
Equity, before dilution ⁷⁾	107	103	96	88	87
Number of registered shares December 31 (millions)	705.1	705.1	705.1	705.1	705.1
of which treasury shares (millions)	2.8	2.8	2.8	2.8	2.8

¹⁾ See definitions of key figures on page 136.

²⁾ Board proposal.

³⁾ Rolling five-year data.

⁴⁾ Share price at year-end divided by earnings per share after full tax and dilution.

⁵⁾ Market capitalization plus net debt plus non-controlling interests divided by operating profit. (EBIT = earnings before interest and taxes).

⁶⁾ Share price volatility compared with the entire stock exchange (measured for rolling 48 months).

⁷⁾ 2012 and 2013 restated in accordance with IFRS 10 and 11.

Shareholder structure

Holding	No. of share-holders	No. of shares	Holding (%)	Votes (%)
1–500	50,552	8,212,705	1.2	1.4
501–1,000	11,057	8,426,087	1.2	1.4
1,001–5,000	12,103	26,094,902	3.7	4.6
5,001–10,000	1,599	11,442,940	1.6	1.9
10,001–20,000	697	9,952,213	1.4	1.4
20,001–	1,176	640,981,247	90.9	89.3
Total	77,184	705,110,094	100.0	100.0

Source: Euroclear

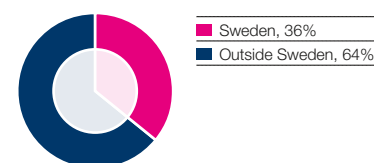
Share distribution

December 31, 2015	Series A	Series B	Total
Number of registered shares	67,441,609	637,668,485	705,110,094
of which treasury shares		2,767,605	2,767,605

Ticker names

NASDAQ OMX Stockholm	SCA A, SCA B
New York (ADR level 1)	SVCBY

Percentage of foreign ownership, capital



Source: Euroclear

Share issues, etc. 1993–2015

Since the beginning of 1993, the share capital and the number of shares have increased due to issues of new shares, conversions and splits, as detailed below:

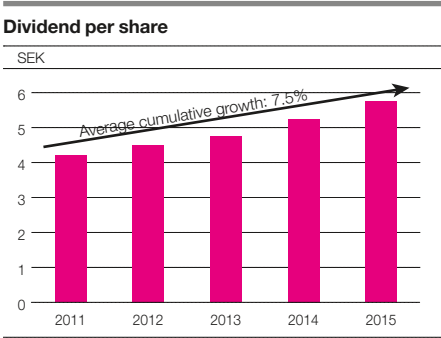
	No. of shares	Increase in share capital, SEKm	Cash payment, SEKm	Series A	Series B	Total
1993 Conversion of debentures and new subscription through Series 1 warrants	4,030,286	40.3	119.1			
New share issue 1:10, issue price SEK 80	17,633,412	176.3	1,410.7	62,145,880	131,821,657	193,967,537
1994 Conversion of debentures	16,285	0.2	–	62,145,880	131,837,942	193,983,822
1995 Conversion of debentures	3,416,113	34.2	–	62,145,880	135,254,055	197,399,935
1999 New share issue 1:6, issue price SEK 140	32,899,989	329.0	4,579.0	62,133,909	168,166,015	230,299,924
2000 Conversion of debentures	101,631	1.0	15.0	61,626,133	168,775,422	230,401,555
2001 New issue, private placement	1,800,000	18.0	18.0	45,787,127	186,414,428	232,201,555
2002 New subscription through IIB warrants	513	0	0.1	41,701,362	190,500,706	232,202,068
2003 Conversion of debentures and subscriptions through IIB warrants	2,825,475	28.3	722.9	40,437,203	194,590,340	235,027,543
2004 Conversion of debentures	9,155	0.1	1.1	40,427,857	194,608,841	235,036,698
2007 Split 3:1	470,073,396	–	–	112,905,207	592,204,887	705,110,094

Dividend and dividend policy

SCA aims to provide long-term stable and rising dividends to its shareholders. When cash flow from current operations exceeds what the company can invest in profitable expansion over the long term – and under the condition that the capital structure target is met – the surplus shall be distributed to the shareholders. The Board of Directors proposes an increase the dividend by 9.5% to SEK 5.75 (5.25) per share for the 2015 fiscal year. Accordingly, dividend growth in the most recent five-year period amounted to 7.5%. The 2015 dividend represents a dividend yield of 2.3%, based on SCA's share price at the end of the year.

Incentive program

SCA's incentive program is designed to contribute to the creation of shareholder value. The program for senior executives consists of two components, one of which is tied to the total shareholder return on the SCA share compared with an index consisting of SCA's largest global competitors. For more information about the structure of the program, see Note C3 (Remuneration of senior executives) on pages 97–99.



Information to shareholders

Annual General Meeting

The Annual General Meeting of Svenska Cellulosa Aktiebolaget SCA will be held on Thursday, April 14, 2016, at 3:00 p.m. in Aula Magna at Stockholm University, Frescativägen 6, Stockholm. Registration for the Annual General Meeting will start at 1:30 p.m.

Notification of attendance

Shareholders who wish to attend the Annual General Meeting must: be listed in the shareholders' register maintained by Euroclear Sweden AB on Friday, April 8, 2016, and give notice of their intention to attend the meeting no later than Friday, April 8, 2016.

Notification may be given in any of the following manners:

- by telephone at +46 8 402 90 59, weekdays between 8:00 a.m. and 5:00 p.m.
- on the Internet at www.sca.com
- by mail to Svenska Cellulosa Aktiebolaget SCA, Group Function Legal Affairs, P.O. Box 200, SE-101 23 Stockholm, Sweden

To be entitled to participate in the Annual General Meeting, the following applies for shareholders whose shares are registered through a bank or other nominee: In addition to giving notification, shareholders must request that their shares be registered in the shareholders' register under their own names by Friday, April 8, 2016 at the latest in order to be entitled to attend the meeting. In such cases, the shareholders in question should instruct the bank or nominee of this

well in advance of Friday, April 8, 2016. Such registration may be temporary.

The shareholder's name, personal identity number/corporate registration number, address and telephone number, and number of accompanying persons, if any, should be stated when notification is given. Shareholders represented by proxy should deliver a proxy in the original to the company prior to the Annual General Meeting. Proxy forms are available upon request and on the company website www.sca.com. Anyone representing a corporate entity must present a copy of the registration certificate, not older than one year, or equivalent authorization document, listing the authorized signatories.

The Notice convening the Annual General Meeting can be found on the company website www.sca.com.

Nomination Committee

- Helena Stjernholm, AB Industrivärden, Chairman of the Nomination Committee
- Håkan Sandberg, Handelsbanken Pensionsstiftelse and others
- Yngve Slyngstad, Norges Bank Investment Management
- Hans Sterte, Skandia
- Pär Boman, Chairman of the Board of SCA

The Nomination Committee prepares, among other things, the proposal for election of Board members.

Dividend

The Board of Directors proposes a dividend of SEK 5.75 per share and that the record date for the dividend be Monday, April 18, 2016. Payment through Euroclear Sweden AB is expected to be made on Thursday, April 21, 2016.

Financial information 2016–2017

Interim report (Jan 1–Mar 31, 2016)	April 28, 2016
Interim report (Jan 1–Jun 30, 2016)	July 19, 2016
Interim report (Jan 1–Sep 30, 2016)	October 27, 2016
Year-end report for 2016	January 26, 2017
Annual Report for 2016	March 2017

Annual Reports, year-end reports and interim reports are published in Swedish and English (in the event of differences between the English translation and the Swedish original, the Swedish text shall prevail) and can be downloaded from SCA's website www.sca.com. Annual Reports can also be ordered from: Svenska Cellulosa Aktiebolaget SCA Group Function Communications P.O. Box 200 SE-101 23 Stockholm, Sweden Tel +46 8 788 51 00

Subscriptions to publications:

Subscription to SCA's press releases, interim reports and year-end reports can be arranged by registering an e-mail address on the SCA website.