

Global Supplier Standard

2016



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available on SCA home page www.sca.com/gss.

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available on SCA home page www.sca.com/gss.



Preface

Everything we do has one ultimate goal: to provide products that are attractive to our customers. As a preferred sustainable business partner, we have high standards for quality, innovation, product safety, the environment and social responsibility.

We are committed to continually improving our performance in the areas covered by the Global Supplier Standard. In selecting suppliers, we look at performance, work with continuous improvements and overall commitment. As a leading producer of hygiene and forest products, we not only focus on our own performance, but also on that of our suppliers.

Although the Global Supplier Standard is based on internationally recognized standards and management systems, it also includes specific SCA requirements. Furthermore, certain customer requests can entail additional requirements for selected suppliers.

Demands from the market, from partners, consumers, end users, investors, NGOs, regulators and the general public are becoming increasingly stringent. We believe that the Global Supplier Standard will make requirements clearer for both us and our suppliers, so that together, we can satisfy these evolving demands and provide products we can all be proud of, meeting or exceeding the expectations of our customers.



A handwritten signature in blue ink, reading "Carl-Magnus Stensson".

Carl-Magnus Stensson
Vice President Global Sourcing
Global Hygiene Supply



A handwritten signature in blue ink, reading "Magnus Svensson".

Magnus Svensson
Vice President Sourcing & Logistics
SCA Forest Products

1 Introduction

1.1 Background and definitions

At SCA, we are constantly working to improve our organization, our processes and the skills of our employees to the best in class. We are committed to a customer-focused approach and continuous improvement. We expect and encourage our suppliers to adopt these same principles and practices. In support of SCA's strategy we seek to work together with our suppliers to improve overall performance.

This Global Supplier Standard (the "Supplier Standard") applies to suppliers of goods and services to SCA's businesses, hereinafter referred to as SCA. This Supplier Standard comprises the requirements for responsible business operations, quality and sustainable development required by SCA of its suppliers. It refers to international standards and defines specific SCA requirements. This Supplier Standard may be supplemented by other documents containing additional requirements, such as the chemical list that can be found in Annex A2 via the following link www.sca.com/gss.

In this document, the term "goods" includes materials (e.g. non-wovens, fibers, plastic films), packaging materials, chemical substances and preparations (e.g. industrial chemicals¹, functional additives² and auxiliaries³), as well as merchandise⁴ incoming to SCA. In addition to goods, all services are covered by this document, as applicable.

The term "services" includes all types of services provided by suppliers to SCA, including services provided in connection with the supply of goods.

If a supplier's production is conducted at separate sites or if part of the production process is subcontracted, the requirements in this Supplier Standard continue to apply in full and are relevant for all subcontractors.

1.2 Responsible business operations

SCA's Code of Conduct defines the principles that SCA regards as fundamental for sustainable development and socially responsible behavior. It also constitutes the

¹ Industrial chemicals refer to all chemicals, e.g. process chemicals and process aids, except functional additives and auxiliaries.

² Functional additives refer to e.g. super-absorbers, perfumes, lotions, adhesives, dyes/printing inks.

³ Auxiliaries are chemicals that are not directly part of the production process, e.g. cleaning agents, maintenance chemicals or paints.

⁴ Merchandise can be ready-made hygiene products, cosmetic products, detergents, biocidal products, dispensers, electronic parts, as well as promotion articles.



basis for the Responsible business operations section in this Supplier Standard, addressing issues that suppliers to SCA shall meet within the areas of human rights, health and safety, employee relations, business practices and community involvement. Suppliers who deviate persistently or in a critical way from these requirements risk exclusion from business with SCA.

1.3 Quality

The Supplier Standard is based on the principles set out in the ISO 9001 standard, notably requiring from suppliers a strong customer focus, continuous improvement, a risk-based approach and process orientation in quality management systems.

In addition, SCA puts particular emphasis on proactive behavior from suppliers to secure high quality as well as highly reliable, capable and controlled processes at supplier sites, ensuring compliance with specification requirements and helping to improve supplier performance.

1.4 Product safety

Product safety is defined as safety for customers, consumers and others who come in contact with SCA's products. SCA works systematically with product safety to ensure that its products are safe for their intended and foreseeable use. A significant part of this



is to ensure that all goods delivered are safe. Critical aspects include chemical composition e.g. chemical impurities, and control of general and microbiological contamination during the production of goods.

1.5 Environment

Environmental issues are part of the broader concept of sustainability that is an integral part of SCA's business model and part of our strategy for growth and value creation.

For SCA it is essential to work with resource efficiency and environmental performance in the supply chain to support environmentally sound goods and services.

With regard to environmental management systems, this Supplier Standard is based on the principles set out in the ISO 14001 standard. Environmental requirements are based on SCA's environmental strategies and objectives.

1.6 Supplier evaluation and compliance

Goods selection and supplier selection have distinct processes at SCA. Both goods and suppliers must be evaluated before supply to SCA can be authorized. Such an evaluation can take the form of a questionnaire, visit or a formal audit on a supplier's premises. In the case of an audit, SCA or an independent audit-



ing company will be given the right to assess supplier compliance according, but not limited, to this Supplier Standard.

It is expected that for any non-compliance identified, corrective actions will be agreed upon and executed to ensure that compliance is attained.

Expectations of compliance may also be reinforced in relevant contracts.

Continuous supplier performance evaluations, which may include further follow-up audits and visits, will be established and agreed upon by SCA and the supplier.

1.7 Sub-suppliers

The supplier shall ensure and implement appropriate measures that its own suppliers comply with:

- all legal and contractual requirements in relation to the production and delivery of raw materials/components and/or services to the SCA supplier, including but not limited to conformance with specifications, and
- similar requirements as those set forth in this Supplier Standard to the extent that said provisions are applicable to the sub-supplier, its raw materials/components and/or services, including but not limited to the provisions related to Responsible business operations (Chapter 2).

The supplier shall also ensure that raw material/component specifications or service specifications agreed upon with its suppliers are consistent with the specifications of the goods and/or services supplied to SCA, as well as with the requirements set forth in this Supplier Standard.

1.8 Confidentiality

SCA may disclose confidential information to its suppliers in the course of business and/or any contemplated transaction. Any such confidential information is disclosed by SCA for a specific limited purpose.

Suppliers may never disclose SCA confidential information to third parties, nor use such confidential information for purposes other than the specific limited purpose for which the information is disclosed by SCA, without prior written consent by a person authorized by SCA. The supplier may only share SCA confidential information within its internal organization to persons having a need to know in order to accomplish the purpose, and these persons shall be subject to the same confidentiality obligations.

As appropriate, suppliers may be requested to enter into separate confidentiality agreements with SCA.





2 Responsible business operations

2.1 Introduction

The section on responsible business operations explains what SCA expects from you as an SCA supplier with regards to human rights, business practices, employee relations, health and safety and other topics related to responsible business practices, and what customers, users, investors, and other stakeholders can expect from SCA. It forms a framework for translating SCA's core values of Respect, Excellence, and Responsibility into practical action.

2.2 Background

SCA's Code of Conduct was established in 2004.

As part of this commitment, SCA is also a member of the United Nations Global Compact, which consists of 10 principles in the areas of human rights, labor standards, the environment and anti-corruption. The requirements are mainly based on internationally agreed standards such as the Universal Declaration of Human Rights and ILO Core Conventions, but also on national legislation.

2.3 Responsible sourcing

All our business partners, including suppliers, distributors, consultants and independent contractors are expected to adopt the ethical business standards and values set out in SCA's Code of Conduct as expressed in this Supplier Standard, and to actively communicate such standards when dealing with their own suppliers.

Suppliers shall have ethical and responsible sourcing practices in place and avoid sourcing from companies not fulfilling Supplier Standard requirements or their equivalent. Preferably, suppliers should work with corporate social responsibility issues in a way that follows the guidelines set out in ISO 26000.

Also, suppliers shall be aware of all sites and companies involved in their production and supply network, and should upon request be able to provide SCA with adequate details of the supply chain for the goods supplied to SCA.

2.4 Ethical business practices

- SCA suppliers shall conduct their business in an open and transparent manner, and in accordance with standards set forth in all applicable international and national laws and regulations - while recognizing that SCA's requirements may sometimes exceed those standards.
- Suppliers shall obey antitrust and other competition laws. Suppliers shall inform SCA if any SCA employee has a financial interest in the supplier's business which might cause a conflict of interest.
- SCA staff shall always pay for their own travel and accommodation when visiting suppliers, attending conferences, etc.
- SCA representatives are not allowed to accept gifts or hospitality if doing so may influence or appear to influence a business decision.
- Suppliers are expected to keep all information relating to SCA private and confidential, and to obey all relevant privacy laws in handling and/or processing data.

2.5 Occupational health and safety

Suppliers must take the necessary steps to ensure a safe and healthy working environment for all their employees.

They shall have a documented Health and Safety Management System which provides for continuous monitoring and improvement of the working environment. The preferred standard is the OHSAS 18001 certification. A senior manager within the supplier's organization must be directly responsible for Health and Safety. All suppliers are required to provide relevant information to enable fulfilment by SCA of its obligations regarding occupational health and safety.

2.6 Fair labor practices

If required by local law, all employees of an SCA supplier must have employment contracts. Suppliers' working hours shall comply with national laws and industry standards, and wages and other benefits provided by supplier must be fair and at least equal to the minimum relevant legal and/or industry standards. Furthermore, SCA suppliers must recognize fundamental human rights and are not allowed to use or threaten to use corporal punishment or other forms of abuse.

2.7 Child labor and forced labor

Suppliers shall take measures to ensure they do not engage in or support the use of forced or bonded labor. This includes all forms of human trafficking and working against one's own will or choice. No employee shall be required to lodge deposits or identity papers when commencing employment. Suppliers should also work actively to prevent all forms of child labor or exploitation in their sphere of influence. They shall always strictly follow legal requirements as well as ILO convention No. 138 on the minimum age for work. If a child is found at the workplace the supplier shall consider its next course of action with what is best for the child in mind.



2.8 Discrimination

SCA suppliers are expected to adopt and enforce policies which effectively prohibit discrimination or harassment on the grounds of gender, marital or parental status, ethnic or national origin, sexual orientation, religious belief, political affiliation, age, disability, or of membership in a trade union or employee organization.

2.9 Free association and collective bargaining

Suppliers should recognize, as far as legally possible, the right of free association of employees without harassment, and the right of employees to collective bargaining.

2.10 Grievance mechanisms

SCA expects its suppliers to ensure there are functioning grievance channels through which employees can report complaints and grievances about their working conditions without fear of retaliation.

2.11 Respect for the environment

At all times, SCA suppliers are expected to act in an environmentally responsible manner, and to respect local and international legislation. SCA requires its suppliers to make continuous improvements in environmental protection and to minimize environmental impact and pollution.

2.12 Community relations

We encourage suppliers to follow SCA's lead in being a positive influence within and acting respectfully to the communities in which they operate.

2.13 Verifying compliance with the Supplier Standard

SCA has the right to verify that suppliers are compliant with this Supplier Standard. Upon request, Suppliers must provide information to SCA and/or allow representatives of SCA to access their premises to verify compliance.



2.14 Deviation from responsible business operations requirements

If a supplier or any of its own suppliers fails to comply with the requirements set forth in this Responsible Business Operations section, the supplier must take appropriate action to remedy the failure and prevent such failure in the future. SCA reserves the right to exclude any supplier who deviates persistently or in a critical way from the Supplier Standard from current and future business with SCA.

3 Quality

3.1 Quality management system

SCA requires that suppliers implement and follow a quality management system that conforms to all requirements in the current ISO 9001 standard. The preferred level is ISO 9001 certification.

In addition to the requirements of the ISO 9001 standard, the supplier shall comply with the following requirements.

3.2 Risk management

The supplier organization shall have a written contingency plan in place.

A risk assessment shall be conducted in order to evaluate the impact on goods each time a change is introduced into the production process.

A contamination risk assessment shall be performed as well. The supplier shall take into account the factors specified in Annex A1.

All risk assessments shall be documented and kept updated.

3.3 Site standards (infrastructure)

SCA expects that supplying sites are suitably designed, constructed and maintained so as to minimize the risk of goods contamination, are in compliance with all relevant legislation and operate in a safe and secure environment.

The manufacturing process flow shall be organized to allow sufficient working space and storage capacity with employee facilities (including rest areas, toilets, lockers and changing areas) provided and maintained in a clean and hygienic condition.

3.4 Competence

The supplier's organization shall have a good understanding of the following:

- Products, services, process and quality assurance in the supplier's field of activity
- Supplier's own market status
- Patents and other intellectual property in the supplier's field of activity
- Products, services and markets in the field where SCA operates





3.5 Documentation requirements

Documented information shall be kept available for evaluation for a period of no less than five years or for the period stated in applicable legislation and/or regulations (e.g. for chain of custody, medical devices, cosmetics regulation, REACH regulation) if said period is longer.

At a minimum, this information should include:

- Specification of the goods delivered
- Quality control data/certificates of analysis to prove conformity of the goods delivered
- Traceability documentation of raw materials/components used for production of the goods delivered

3.6 Communication and interaction with SCA

Suppliers shall document their interaction processes with SCA.

Each supplier shall appoint a qualified individual to serve as the SCA coordinator for agreements, orders, customer satisfaction and feedback, claims, quality issues, queries and corrective actions.

A technical contact person shall be appointed. The contact person shall be responsible for ongoing technical activities and shall be authorized to communicate and make decisions directly in consultation with SCA.



The roles of the technical contact person and SCA coordinator can be filled by the same individual if desired. He or she should be able to communicate well in English and be able to travel to SCA facilities. Local communication between the supplier and SCA may be in the local language.

The supplier shall identify a contact person or persons for product safety and environmental information.

The content of agreements with and feedback from SCA shall be communicated to relevant internal functions.

Upon request, the supplier shall communicate the plans for and status of activities performed in cooperation with or on behalf of SCA.

Suppliers are expected to proactively present new developments.

SCA expects its suppliers to respond to any queries within a reasonable period of time.

Suppliers shall ensure that relevant persons in their organization receive information about and understand the interactions between their own development activities and those of SCA.



3.7 Specifications

All goods shall be defined by an agreed specification or technical data sheet and with a unique identification code during regular supply and when in development phases. During a development phase, the identification may be temporary.

The supplier may not make any changes to the goods and/or to the production process, including changes of location of manufacturing, process/equipment of manufacturing, and/or raw materials/components from incumbent or new/alternative sub-suppliers, unless such changes have been communicated to and agreed in writing by the authorized SCA contact. This applies to all changes except minor process optimization and minor maintenance changes that have no impact on the delivered goods and do not inhibit the supplier's compliance with this Supplier Standard and any other requirements. The time frame for communication must be a minimum of three (3) months, preferably six (6) months in advance of commercial deliveries, except for changes that are due to unforeseeable events beyond the supplier's control and that are thus unavoidable. A new goods identification code shall be

used if raw materials/components or process conditions change significantly, particularly if the changes may influence the goods' chemical composition.

3.8 Processes

The supplier shall ensure that processes are implemented under controlled conditions including the following:

- Process results shall be continuously controlled toward the target value for relevant properties
- Process capability shall be completed and documented
- Statistical techniques shall be used to demonstrate that a process is capable and in control, and if applicable, include the use of Cpk/Ppk (process capability index) for capability studies
- Control plans shall be documented and demonstrate compliance with SCA requirements and other applicable requirements in this field. The characteristics of a control plan shall be identified through risk assessments

Additional requirements apply for production processes.

- Where applicable, automatic feedback and control systems and/or SPC (Statistical Process Control) shall be implemented. Process variations shall be evaluated continually and the causes of uncontrolled variations eliminated
- Preventive maintenance of equipment shall be carried out to ensure continuous process capability



3.9 Design and development

The development and launch of new goods shall follow a documented cross-functional process. The process description shall include:

- How SCA's expectations and requirements are taken into account, including timelines
- How goods in the development phase are transferred to regular production
- How parameters necessary for repetitive production of goods in the development phase are documented, e.g. goods composition, process parameters

When requested by SCA, a formal agreement on the scope and goals of a development project shall be reached between the supplier and SCA. A separate confidentiality agreement may also be required.

The initial stage of projects for developing new goods shall include the following considerations:

- Process capability analysis, also valid for pilot machines, when applicable
- Patents and other intellectual property
- Cost analysis
- Regulatory and product safety aspects
- Environmental aspects including energy
- Occupational health and safety aspects

3.10 Product safety and hygiene control

Documented procedures shall be established for product safety hygiene control and related processes (see chapter on product safety).



3.11 Identification and traceability

The supplier shall establish and maintain procedures that allow the traceability of used raw materials/components and goods. The traceability system shall be tested regularly.

Traceability records needed to identify delivered goods, which have a risk of non-conformity, shall be made available to SCA on demand and in critical situations on short notice. Goods identification shall be recorded in a manner that permits relevant recall procedures. This procedure shall be documented and tested.

3.12 Root cause analysis and action plan

A root cause analysis shall be performed by the supplier for all quality claims reported in order to avoid defects in any future deliveries. Corrective and preventive actions shall be presented to SCA, including a short and long-term action plan.



3.13 Transport

Vehicles shall be suitable for hygiene and paper product transportation and should be regularly cleaned and inspected to ensure that they are free of odors and contamination. All vehicles, regardless of source, shall be inspected before loading and records of inspection kept.

3.14 Internal audits

Supplier internal audits shall include the requirements of the Supplier Standard, with special attention to the traceability system.

3.15 Testing

Personnel performing tests on raw materials /component properties and/or goods shall be proficient in using test methods. Test methods used shall be well defined, validated, documented, and preferably in compliance with a recognized standard for the specific industry. All measuring instruments shall be calibrated and checked in a metrology system.





4 Product safety

4.1 Product safety assessment

SCA has defined procedures for assessing the safety of goods and final products for the intended use. Merchandise supplied to SCA shall also clear a safety assessment in which information about the merchandise and/or its included materials/components is normally required and assessed the same way as for other goods supplied.

All the assessment procedures follow the principles of general risk assessment. These include elements such as hazard identification, exposure assessment and risk characterization.

Safety assessments are based on legislation and standards relevant to the type of material/component and the intended market. Legislation in the following areas (but not limited to these areas) is relevant to the SCA product portfolio:

- General product safety
- Chemicals
- Food contact
- Cosmetics
- Medical devices
- Biocides
- Electrical equipment

Depending on the type of goods, suppliers will be asked to provide required information that may include:

- SDS (Safety Data Sheet) according to relevant legislation (e.g. REACH Regulation) or other relevant safety information when an SDS is not applicable
- Information on restricted substances

- Technical product specification
- Complete composition list, including CAS (Chemical Abstracts Service) numbers for all raw materials, additives and impurities, e.g. residual monomers
- Information on toxicological tests already performed (e.g. cell toxicity, skin irritation or sensitization tests)
- Information on safety performance, including fire rating, and compliance tests performed (e.g. for toys and dispensers)
- Product information file, according to EU cosmetics legislation

If the supplier prefers, a confidentiality agreement can be signed restricting the use of the detailed information to the persons responsible for performing the product safety assessment, and only for the purpose of assessing health and safety aspects of the goods.

SCA has a restrictive view on the use of animal testing and is committed to reducing animal testing to the absolute minimum. We do not test our products or goods on animals unless required by law.

We expect our suppliers to have similar policies supporting this position. SCA shall be informed if animal testing is performed on any goods delivered to us.

4.2 Restrictions

SCA has defined chemical substances that are of special concern and are subject to specific restrictions. A reference to the list of substances can be found in Annex A2 via the following link www.sca.com/gss.

The supplier shall inform SCA about all changes of compositions of goods and changes in classification (according to CLP/UN-GHS) of the components/substances contained in the goods, as this could impact the safety assessment.

In addition to the substances of special concern described above, SCA has defined further specific requirements or SCA positions for various types of goods, e.g. goods for hygiene absorbent products, perfumes, merchandise, etc. These requirements are specified in separate requirement documents and will be communicated accordingly via the respective SCA contacts.

4.3 Contamination prevention and hygiene control

The production of goods for SCA shall take place under controlled conditions. A contamination risk assessment shall be performed for all goods. The risk assessment and contamination prevention shall be performed according to methodologies laid out in recognized standards/guidelines. The risk assessment shall be reviewed/updated each time a change is introduced in order to prevent, minimize or eliminate risks for contamination of the goods supplied as far as possible.

4.3.1 All goods (excluding industrial chemicals and auxiliaries ^{1, 3)})

For all goods (excluding industrial chemicals and auxiliaries) the controlled conditions shall include contamination prevention and controlled hygiene conditions in raw material production and in the handling of raw materials, as well as intermediate and finished goods.

Production of goods shall follow the current GMP



(Good Manufacturing Practice) applicable for the type of goods. Recognized and appropriate standards for hygiene control in the supplier's production processes and premises (including personal hygiene and hygiene control of premises and equipment) shall be in place.

4.3.2 Industrial chemicals and auxiliaries ^{1, 3}

These chemicals shall be produced according to common industry standards following quality and traceability requirements at least as laid out in ISO 9001. All chemicals have to be delivered in the purity and quality level as laid out in the raw material specification for the chemical (e.g for food contact or technical quality, depending on the type of chemical and where it is used).

¹ Industrial chemicals refer to all chemicals, e.g. process chemicals and process aids, except functional additives and auxiliaries.

³ Auxiliaries are chemicals that are not directly part of the production process, e.g. cleaning agents, maintenance chemicals or paints.



5 Environment

SCA is continuously improving the sustainability profile for its products. This means that we work with resource efficiency and the environmental performance of our products throughout their life cycles. This in turn requires information, commitment and transparency from suppliers.

Suppliers shall comply with relevant legislation and shall be able to demonstrate such compliance upon request.

5.1 Environmental management system

SCA focuses on its current environmental status and on future improvements to reduce its environmental impact. Suppliers shall be able to demonstrate their commitment and ability to support this initiative. A documented EMS (Environmental Management System) shall be implemented.

At a minimum, the EMS shall include:

- An environmental and/or sustainability policy
- A documented investigation of the supplier's current environmental impact, including analyses and prioritizations. This is to be used as a basis for planning actions to reduce environmental impact.

- Compliance with all legal requirements
- Defined and documented responsibilities, and available resources
- Setting of goals and actions for continuous improvement
- Regular management review of the EMS and its effectiveness

The preferred level is a current ISO 14001 certification.

5.2 Climate and energy

SCA is working to reduce its greenhouse gas emissions from a holistic perspective, i.e. from the extraction of resources, through production, transportation, use and end of product life.

SCA expects all suppliers to actively work to reduce emissions, both in terms of energy and electricity for manufacturing, transportation and the source of goods.

Suppliers shall have an energy and electricity program that includes activities and goals for improving efficiency.

SCA prefers that its suppliers increase the proportion of renewable energy and electricity they use and work with alternative materials/goods that are more





environmentally sound. SCA promotes transport modes with low emissions per ton-kilometer and optimizing of freight and transport between suppliers and SCA.

5.3 Environmental questionnaires

SCA continually assesses the environmental performance of its suppliers. As a part of this, and as input for life cycle assessments and/or environmental labeling, updates and surveys are necessary.

Suppliers are expected to answer questions on the site level on topics including:

- Raw materials and finished materials/goods and/or products
- Use of energy (electricity and fuels)
- Water use
- Source and traceability of feedstock and raw materials
- Emissions to air/water
- Waste
- Transports

SCA prefers that suppliers also include environmental information from their sub-suppliers.

On a supplier's request, a confidentiality agreement can be signed to restrict the use of the information to a level where only the supplier's environmental status is assessed.



5.4 Renewable fibers and ingredients

Renewable fibers and ingredients include fibers or ingredients from managed forests or other agriculture crops. The vast majority of SCA's product assortment does not include raw materials with a GM (Gene Modified) origin. Forest fibers shall always be free of GMOs (Genetically Modified Organisms). In those few cases where a raw material could be of GM origin, the GMO-free alternative shall be the preferred choice. If a GMO-free alternative is **not** available, an assessment from a safety and environmental perspective will be performed by SCA before potential approval can take place.

5.5 Wood and wood derived fibers ⁵

SCA requires that all wood and wood derived fibers originate from FSC® or PEFC™ certified sources or at least fulfill the FSC Controlled Wood standard. The portion originating from certified forests shall be continually reviewed and suppliers are requested to show plans for their forest certification efforts.

Wood from the following types of sources is not accepted:

- Illegally harvested wood
- Wood from areas where human rights or the traditional rights of indigenous peoples are being violated
- Wood from high conservation value forests

⁵ Wood derived fibers include pulps, mother reels, packaging, semi-finished and finished goods containing fibers originating from forest operations.

- Wood from protected areas, parks or similar, where harvesting operations are not complementary to responsible forest management
- Wood originating from GMOs (Genetically Modified Organisms) containing living genes or materials capable of reproduction
- Wood from areas being transformed from natural forests into plantations or non-forest use

Suppliers shall have reliable systems and documented procedures in place that enable adequate control of their supply chain and traceability of the origin of the wood and wood-derived raw materials. This shall ultimately be verified by independent certification (chain of custody). Non-certified suppliers are expected to develop a program to achieve chain of custody certification.

FSC and PEFC are certification schemes recognized by SCA. Other certification schemes such as SFI and CSA may be considered on a case-by-case basis if they are accompanied by an FSC Controlled Wood statement.

5.6 Pulp production

The environmental impact of pulp production, i.e. emissions to air⁶ and emissions to water⁷, contribute to the assessment of suppliers' environmental performance. Levels and technology comparable with the European Industrial Emissions Directive and its associated BAT levels (Best Available Techniques) are preferred.



5.7 Other renewable fibers

Other renewable fibers can be derived from plants such as corn, sugar cane or cotton. Suppliers to SCA of any other renewable fibers intended for any part of the products, packaging or merchandise will be asked to fulfill requirements similar to those applicable for virgin wood fibers, e.g. origin, traceability and environmental and social performance.

5.8 Recovered fibers

Any recovered fibers originating from wood or other renewable fiber materials shall fulfill the same requirements applicable to virgin wood fibers regarding environmental and social performance. Requirements for traceability of origin for recovered fibers are limited to information on post-consumer and pre-consumer content.

⁶ GHGs (Greenhouse Gases, e.g. sulfur and nitrogen oxides)

⁷ COD (Chemical Oxygen Demand), and/or BOD (Biological Oxygen Demand), TOC (Total Organic Carbon), AOX (Adsorbable Organic Halides) and phosphorus

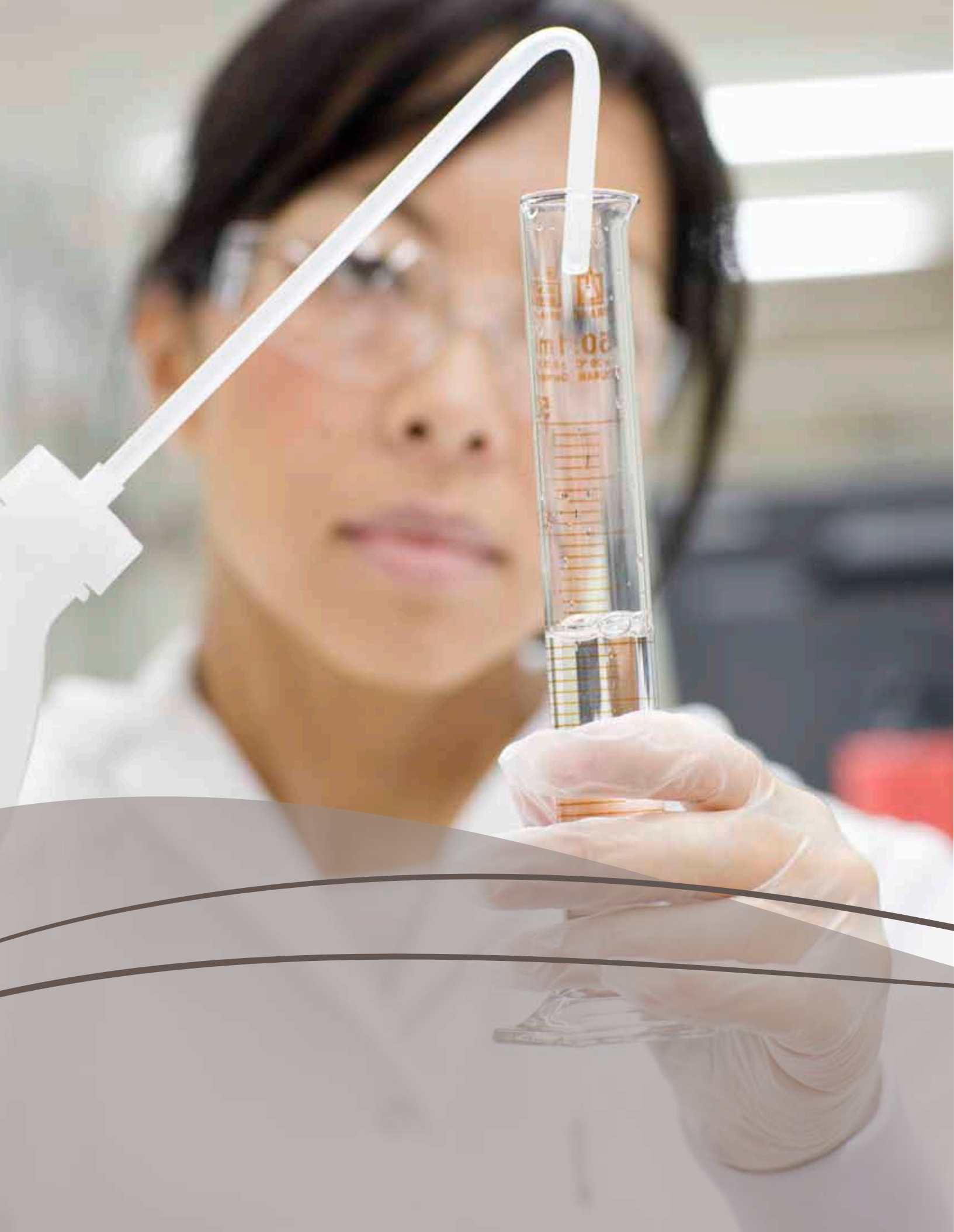
5.9 Renewable ingredients

Cosmetics products or chemicals can contain renewable ingredients such as palm oil or similar. Suppliers of cosmetics or chemicals will be requested to show documentation that their supply chain is certified according to a recognized system such as RSPO (Roundtable of Sustainable Palm Oil).

5.10 Electronics

Components included in electronics supplied to SCA shall be the subject of a documented responsible supply chain. Included components may not contain the minerals defined as conflict minerals (tantalum, tin, tungsten and gold) or their derivatives unless they are sourced through recognized certification schemes.





6 Chemicals

6.1 Chemical legislation

All goods delivered shall follow applicable chemical legislation. Suppliers may be required to follow chemical legislation for parts of the world other than where the goods are delivered, as the final SCA product may be distributed globally.

Examples of chemical legislation:

- REACH (Registration, Evaluation, Authorization and Restriction of Chemicals). SCA requires suppliers supplying within and to the EU to take full responsibility for pre-registering, registering, notifying and/or applying for authorization as and when required. This also applies when customs documents identify SCA as the importer.
- Toxic Substances Control Act, TSCA (USA)
- Corresponding legislation to REACH and TSCA in other regions
- Biocide legislation
- Food contact legislation
- Occupational health & safety (hazardous substances) legislation
- Dangerous goods regulations (for transport)

A non-exhaustive list of legislations and abbreviations relevant to SCA businesses can be found in Annex A3 via the following link www.sca.com/gss.

6.2 Chemical substances of special concern to SCA

SCA has defined chemical substances that are of special concern and are subject to specific restrictions. A reference to the list of substances can be found in Annex A2 via the following link www.sca.com/gss.

In the production processes, specific circumstances may exist that would make exceptions from this list necessary. Any exceptions shall be communicated and approved by SCA.

The supplier shall inform SCA of all changes to compositions of goods and of all changes to classification (according to CLP/UN-GHS).

A Annex A1. Hygiene control

A contamination risk assessment shall be performed for all goods. This appendix describes the requirements regarding contamination prevention in the supplier's production processes and premises. Wherever relevant, written instructions shall be available.

A1.1 Personal hygiene

- A.** Personal hygiene is primarily the responsibility of the individual concerned but should be enforced by management where necessary, e.g. in cases in which an employee continually ignores the established procedures.
- B.** Appropriately clean clothing (including clean shoes) shall be worn by all employees in all areas where raw materials, semi-finished goods and/or finished goods are exposed. This includes maintenance operations.
- C.** Where appropriate, employees' hair shall be tied back and covered.
- D.** Hand washing facilities should be available within a reasonable distance from production and packing areas.
- E.** Eating and drinking shall be prohibited except in designated areas (with the possible exception of drinking water in plastic bottles). Suitable separate premises should be provided where employees may eat.
- F.** The use of tobacco shall be prohibited except in designated areas. Such areas shall be well away from the production environment.
- G.** Visible and/or detectable plasters or dressings shall cover cuts or sores on exposed skin.
- H.** Where appropriate, hygiene regulations should be clearly displayed.
- K.** Unless the supplier has equivalent expertise and resources, a reputable pest control contractor should be consulted. Written reports are to be provided after each inspection of the pest control system. Appropriate measures shall be taken to prevent insects, birds and rodents from entering the premises, e.g. by implementing fly-screening and door-closing routines.
- L.** All sources of glass and brittle plastic in or above the production process shall be identified. Appropriate steps shall be taken to prevent fragments from contaminating raw materials, semi-finished goods and/or finished goods after a breakage, e.g. by enclosing lights or replacing glass windows. Appropriate procedures shall be followed in the event of a breakage.
- M.** Solvents and cleaning agents shall be stored in appropriate designated areas.

Leakage of oils and lubricants should be prevented by means of an adequate maintenance system.

Process additives such as oils, greases, lubricants and cleaning agents should not be allowed to come into contact with raw materials, semi-finished goods and/or finished goods.

Contamination from dripping water, condensation, etc., should be prevented.
- N.** Needles, razor blades and similar items are to be kept in designated areas and away from production processes. Used blades, etc., are to be collected in designated boxes.
- O.** During production, all tools and unused spare parts shall be kept away from machinery.
- P.** All raw materials, semi-finished goods and/or finished goods at all stages of the production process shall be stored in such a way as to prevent their contamination. Pallets should be in good condition and should be kept clean and dry. If wooden pallets are used, measures should be taken to prevent contamination of the raw material, semi-finished goods and/or goods (e.g. wood splinters). Where appropriate, clean layer sheets should be used.

A1.2 Premises and equipment

- I.** Premises and equipment shall be cleaned in accordance with written cleaning instructions. Records should be kept.
- J.** Lighting that is sufficiently intense to allow the detection of defects is required in production, inspection and storage areas.
- Q.** All repairs and maintenance carried out during production shall be suitably monitored to prevent contamination.



Svenska Cellulosa Aktiebolaget

SCA is a leading global hygiene and forest products company.

The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Libero, Libresse, Lotus, Nosotras, Saba, Tempo and Vinda. As Europe's largest private

forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 44,000 employees. Sales in 2014 amounted to approximately SEK 104bn (EUR 11.4bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm. For more information, visit www.sca.com.