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Second Party Opinion

Sveaskog Green Bond Framework

March 26, 2026

Location: Sweden **Sector:** Forests and forest products

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

✓ Green Bond Principles, ICMA, 2025

See Alignment Assessment for more detail.

Primary contact

Catherine Rothacker
Oslo
+47 941-57-987
catherine.rothacker
@spglobal.com

Dark green

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Strengths

Sveaskog's sustainable forestry and bioproducts sequester carbon, help reduce dependence on fossil fuels, and create a more circular economy. Through its forestry activities, the company aims to enhance its net carbon sink, providing increasing carbon sequestration benefits. Its bioproducts facilitate the use of renewable materials that can displace fossil fuel-intensive alternatives used in construction and transport.

Sveaskog has several positive climate and nature strategies at the company level that go beyond certification requirements. Examples include carbon sequestration, fossil fuel emissions reduction, and conservation area targets with clear implementation steps, as well as measures to address physical climate risks identified in scenario analyses. These represent improvements for Sveaskog since the publication of its previous green bond framework and leadership in the sector.

Weaknesses

No weaknesses to report.

Areas to watch

Fossil fuel-powered vehicles and machinery, which can be linked to greenhouse gas emissions, are eligible under Sveaskog's Sustainable Forestry project category. However, these activities support Dark green forestry. Sveaskog has good measures to mitigate the impacts through its vehicle and equipment decarbonization efforts.

Shades of Green Projects Assessment Summary

Sveaskog expects to allocate more than 90% of proceeds to the Sustainable Forestry project category. Renewable Energy category allocations could eventually account for up to 10%. The issuer expects to allocate the majority of proceeds to new projects.

Based on the project categories' Shades of Green, expected allocation of proceeds, and Sveaskog's environmental ambitions, we assess the framework Dark green.

Sustainable Forestry	**Dark green**
Forest Stewardship Council (FSC)- and/or Programme for the Endorsement of Forest Certification (PEFC)-certified forest management measures	
FSC- and/or PEFC-certified forest holdings	
Research and development (R&D) to support forest growth, sustainability, or efficiency	

Renewable Energy	**Dark green**
Solar power generation facilities and supportive infrastructure	
Wind power generation facilities and supportive infrastructure	

See Analysis Of Eligible Projects for more detail.

EU Taxonomy Assessment Summary

Sveaskog is planning to finance forest management as well as wind and solar energy projects and their installation, maintenance, and repair in Sweden under EU Taxonomy activities 1.3, 4.1, 4.3, and 7.6. We assess that these projects align with the EU Taxonomy's technical screening criteria (TSC) for substantial contribution and do no significant harm (DNSH).

		Technical screening criteria			
Economic activity	**Expected allocation**	**Substantial contribution**	**Do no significant harm**	**Minimum safeguards (issuer level)**	**Overall alignment**
1.3 Forest management--NACE code: A2	>90%	✓	✓		✓
4.1 Electricity generation using solar photovoltaic technology--NACE code: D35.11 or F42.22	<10%	✓	✓		✓
4.3 Electricity generation from wind power--NACE code: D35.11 or F42.22	<10%	✓	✓	✓	✓
7.6 Installation, maintenance, and repair of renewable energy technologies	<10%	✓	✓		✓

Aligned = ✓ Not aligned = ✗ Not covered by the technical screening criteria = –

See EU Taxonomy Assessment for more detail.

Issuer Sustainability Context

This section provides an analysis of the issuer's sustainability management and the embeddedness of the financing framework within its overall strategy.

Issuer Description

Sveaskog AB (publ) owns and manages forest properties in Sweden. It engages in cultivating forests, as well as supplying timber, pulpwood and wood chips, biofuels, biochemicals, seedlings, and forestry services. The company also leases its forest properties and provides forest recreation opportunities. Its customers operate primarily in the Swedish forest industry and energy sectors, which in turn export products globally.

The state-owned company has about 800 employees and is headquartered in Kalix. It operates in about 170 of 290 of Sweden's municipalities, and has a minor subsidiary in Riga, Latvia. As Sweden's largest forest owner, Sveaskog's 4.1 million hectares (ha) in holdings as of 2024 represented about 10% of the country's surface area and 14% of its forests. Of Sweden's total electricity production, 5% comes from wind power on Sveaskog's land. In 2024, it reported about Swedish krona 8.3 billion (about €767 million) in net sales.

Material Sustainability Factors

Climate transition risks

The forest sector can provide a range of climate mitigation solutions, including harvested wood products and bioenergy that can substitute for emissions-intensive or fossil fuel-based alternatives. Intensifying forest production to meet increasing demand for bioproducts must be balanced with maintaining carbon storage in forests and soils, which could be increasingly protected as important carbon sinks. Increasingly stringent regulation will likely necessitate reduced fossil fuel emissions and improved efficiency of forest management equipment, wood product manufacturing, and associated transportation. Sweden's Climate Act and Climate Policy Framework adopted in 2017 set a long-term target for the country of achieving net-zero greenhouse gas emissions by 2045 and negative emissions after that, supported by increasing forest carbon sinks and bioenergy with carbon capture and storage. As an EU member, Sweden is also covered by relatively ambitious EU climate policies, including regulations on land use that limit the risk of deforestation and illegal land use conversion.

Physical climate risks

Physical climate risks such as wildfires and droughts, as well as a greater prevalence of pests and diseases associated with a warming world, are highly relevant to forest owners and forest product suppliers. Forest owners and forest product companies around the world contend with acute events and chronic trends as climate change results in more extreme, and often unpredictable, weather patterns. In the boreal region, tree loss from drier weather and outbreaks of pests, diseases, and wildfires could be balanced with a longer growing season.

Biodiversity and resource use

In addition to being the main source of raw materials for the diverse forest products, forests provide a wide range of ecosystem benefits, including water filtration and storage, pollution capture, soil conservation, and a habitat for biodiversity. The Swedish model of retention forestry, where patches of trees are left standing in clearcuts, has relative biodiversity benefits compared to clearcutting practices. Sweden's Forestry Act sets conservation requirements such as setting aside land, a minimum age for felling, and a consideration of environmental factors. Recent national inventories have found generally improving trends in Swedish forestry for biodiversity-relevant indicators. At the same time, some nongovernmental organizations and EU regulators have criticized the country's forestry practices for their impacts on species and ecosystems from short rotations, limited tree species diversity, insufficient protections of old growth forests, and potential for landscape fragmentation.

Social risks

Workers in forest operations face possible significant bodily injury and other health and safety risks from physically demanding tasks such as heavy lifting, exposure to weather conditions, frequent lone working, and potential for falls or crush injuries. In northern Sweden, land use such as forest management could give rise to conflicts with indigenous Sámi interests and rights, because their traditional way of life is threatened. Examples of areas of conflict include access to winter grazing lands for reindeer husbandry, the exercise of hunting and fishing rights, and the protection of reindeer husbandry rights in relation to competing land claims and land uses.

Issuer And Context Analysis

Sveaskog's Green Bond Framework aims to address climate transition risks and biodiversity and resource use, which we view as key sustainability factors for the company. Eligible sustainable forestry activities can benefit ecosystems and enhance carbon sequestration. Sveaskog's proposed investments in renewable energy activities can also support the climate transition. Forestry management and renewable energy infrastructure can introduce social risks, including worker safety concerns and impacts on local and indigenous communities.

As part of its climate strategy, Sveaskog has set forest growth targets to support carbon sequestration, which it seeks through forest planning as well as retention and regeneration measures. The company aims to increase forest growth by 0.5 forest cubic meters (m3fo) per hectare on a five-year rolling average basis until 2034, or 1.0 million-1.5 million m3fo a year in total. If achieved, this would result in carbon sequestration of about 0.69 metric tons of carbon dioxide-equivalent (CO_2e) per hectare per year. To meet these goals, Sveaskog uses a 100-year forest management planning horizon, reviews harvest levels at least every five years, and retains about 10% of old forest stands during harvest, followed by additional regeneration measures after felling. In 2024, Sveaskog reported 9.65 million metric tons of CO_2e, or a 1.28% net growth in its forest carbon stocks. It does not include any avoided emissions estimations from its products in its reporting due to the uncertainty of whether product sales contribute to substitution effects that would reduce emissions. We view this conservative approach in emissions accounting positively.

Sveaskog has set targets to reduce its absolute fossil fuel greenhouse gas emissions by 60% across its value chain by 2034 from a 2022 base year, focusing on decarbonizing vehicle, machinery, and equipment use. The company also has set a long-term goal to reduce its emissions 90% by 2045. In 2024, Sveaskog's total emissions were 310,387 metric tons of CO_2e, up 21% from 2023 levels. The company reports this was due primarily to a policy change in the Swedish market that reduced biofuel blending requirements. To address this challenge, Sveaskog is shifting its vehicles and equipment toward renewable alternatives including biofuels, battery-electric power, and hydrogen. As of 2025, HVO100 biodiesel accounted for over 87% of the company's own machinery's fuel consumption.

To manage climate and nature risks, Sveaskog voluntarily certifies its own forests and works to exclude the most harmful practices from wood sourced from others. All of the company's own forests are both FSC- and PEFC- certified. The company requires that any wood it purchases must meet the FSC Controlled Wood and Chain of Custody standards, which aim to prevent sourcing from forestry that is illegal, is in high conservation value areas, or leads to conversion to plantations or other nonforest forms of land use.

Sveaskog has additional initiatives to support species, habitats, and ecosystems that go beyond FSC and PEFC requirements. Through its conservation value assessment process, the company identifies threatened species' habitats, key biotopes, Natura 2000 protected areas, and forests with high conservation value. It then designates voluntary set-asides dedicated to conservation and other consideration areas with additional conservation measures. In 2024, about 58% of Sveaskog's land was productive forest, with 26% excluded from forestry in set-asides (13%), consideration areas (4%), and low productive forests (9%), and 16% consisting of

unmanaged areas such as waterbodies and mountains. By 2034, Sveaskog targets setting aside an additional 1% of its land holdings to nature conservation forests and designating a further 1% as consideration areas. To support tree species diversity, the issuer targets that 7% of total planted saplings to be species other than spruce and pine on its holdings by 2034. Other biodiversity protection or enhancement measures include wetland and watercourse protections or restorations, controlled burns, promotion of deadwood, monitoring of individual species, and continuous cover areas.

Sveaskog has undertaken physical climate risk assessment using scenario analysis and incorporated adaption measures into is forestry management. As part of its annual business plan, the company undertakes a risk inventory and mitigation measures identification exercise that covers physical and transition climate risks. In 2021, Sveaskog leveraged UN Intergovernmental Panel on Climate Change (IPCC) models for 2050 and 2100 to undertake scenario analysis considering climate risks under representative concentration pathways (RCPs) 2.6, 4.5, and 8.5. Through this assessment, which we expect the issuer to update in 2026 and every five years afterward, it identified physical risks to its operations, including damage to forests from increasingly frequent extreme weather events, the lack of frozen ground increasing the impact from machinery, and more prevalent pests and diseases. Adaptation measures include increases in forest landscape planning; monitoring and research on these topics; and forest management activities that support adaptation, such as tree species and other biodiversity enhancement, adapted thinning and felling practices, water conservation and drainage, and increased operational flexibility to harvest trees in windthrow areas after storms.

Sveaskog has processes to improve safety and engage local and indigenous communities, including reindeer husbandry co-planning. The company's occupational safety and health policy applies to employees and contractors, and both groups are provided with training on these topics. The company has systems to engage local communities through stakeholder dialogues, including reindeer husbandry co-planning with the Sámi people regarding 10,180 ha of forests. Co-planning involves decision making about felling and thinning practices, regeneration, tree species selection, controlled burns, fertilization, and road construction in areas the company and the Sámi people jointly use. Annual third-party audits are used to assess compliance with Free, Prior and Informed Consent and FSC requirements. Sveaskog reports it has also tested alternative forestry approaches to enhance reindeer migration corridors and calving areas and collaborated with Sámi villages and the Swedish University of Agricultural Sciences on lichen research to support this important food source for reindeer.

Alignment Assessment

This section provides an analysis of the framework's alignment to the Green Bond Principles.

Alignment Summary

Aligned = ✓ Conceptually aligned = o Not aligned = ×

✓ Green Bond Principles, ICMA, 2025

✓ Use of proceeds

We assess all the framework's green project categories as having a Dark green shade, and the issuer commits to allocating the net proceeds issued under the framework exclusively to eligible green projects. Refer to the Analysis Of Eligible Projects section for more information on our analysis of the environmental benefits of the expected use of proceeds.

Sveaskog will use green bond net proceeds to finance or refinance eligible assets, activities, and projects within Sveaskog, its subsidiaries, or joint ventures (JVs). Capital expenditure, assets, ownership, acquisition, R&D, and supportive operational expenditure and maintenance costs that increase the lifetime, present, or future value of assets, activities, or projects are eligible for the use of proceeds if they meet framework criteria. Refinancing is defined as eligible assets, activities or projects financed before the reporting year, with a lookback period of three years for operational expenditure and no lookback period for other assets, activities, or projects, which we do not view as best practice.

Eligible JVs or acquisitions are likely to be new wind or solar power projects on Sveaskog's forest holdings, which are screened for environmental and social risks during its due diligence processes. While the company can have a minority stake in JVs, Sveaskog confirms that it will only allocate green financing to investments and assets that meet all framework requirements. Criteria from the company's voluntary sustainable forestry certifications related to renewable energy will also apply to these types of projects.

✓ Process for project evaluation and selection

The framework outlines the process to select and approve eligible assets, activities, and projects. Following preevaluation by its finance and sustainability teams, Sveaskog's Green Bond Committee (GBC) will review assets, activities, and projects identified during the investment planning process for eligibility under framework criteria. The GBC includes sustainability, finance, and risk department representatives and will meet at least semiannually and as needed until proceeds are fully allocated. Sveaskog identifies and manages environmental and social risks through a process aligned with its company-level policies and procedures, which are described on its website. The company excludes allocations or links to fossil energy generation or potentially environmentally negative resource extraction such as rare-earth elements or fossil fuels.

✓ Management of proceeds

Sveaskog's GBC will use a green register to monitor the allocation of proceeds issued under the framework. It targets full allocation of an amount equal to proceeds at the earliest convenience and to the extent possible within two financial years of the issuance of any green bonds. Unallocated proceeds will be temporarily held in Sveaskog's bank account designated for green bonds. Assets, activities, and projects will be checked at least annually for alignment with framework criteria. Those that are divested or no longer meet requirements will be removed from the register and the proceeds reallocated to eligible projects.

✓ Reporting

Sveaskog commits to disclose the allocation and impact of invested proceeds annually in its green bond report published on its website until full allocation and on a timely basis in case of material developments or reallocation. Allocation reporting will

include consolidated information on the assets, activities, and projects financed, including the allocation by framework project category, the share of new financing versus refinancing, a geographical distribution, the balance of unallocated proceeds, and an estimation of EU Taxonomy eligibility and alignment if feasible. Sveaskog will report metrics showing the environmental impacts of financed assets, activities and projects, including sustainably managed forest area, the share of total carbon sequestration allocated to green bonds, the number of tree seedlings planted, and annual renewable energy generation and installed capacity, although these could change to ensure relevance. The company will provide information or estimates where the direct quantification of impact is not feasible. Sveaskog will seek to align its reporting with the ICMA Harmonised Framework for Impact Reporting where relevant and will provide transparency on its calculation methodologies and baselines. Due to the large numbers of underlying assets, activities, and projects, the company will report on a combined basis. It commits to receiving verification of internal tracking and green bond allocation from an independent external auditor or other third party.

Analysis Of Eligible Projects

This section provides details of our analysis of eligible projects, based on their environmental benefits and risks, using the "Analytical Approach: Shades Of Green Assessments".

Overall Shades of Green assessment

Based on the project category shades of green detailed below, the expected allocation of proceeds, and considering the environmental ambitions reflected in Sveaskog's Green Bond Framework, we assess the framework Dark green.

Activities that correspond to the long-term vision of a low-carbon climate resilient future.

Our Shades of Green Analytical Approach >

Green project categories

Sustainable Forestry

Assessment	Description
Dark green	EU Taxonomy activity: 1.3 Forest management **Forest management** • Investment in forest management such as nurseries, harvesting, silvicultural operations, thinning, restoration of native forests, and conservation of biodiversity that all have a certification from the PEFC and/or FSC where Sveaskog is operating, including related infrastructure. **Forest holdings** • Investments in forest land that all have a certification from PEFC and/or FSC where Sveaskog is operating, and related infrastructure. **R&D** • Investment in R&D that leads to increased growth and future-proof forests, promotes biodiversity across land holdings, minimizes forestry's negative impacts, reduces climate impact or increasing efficiency through technology and digitalization.

Analytical considerations

- Forests contribute to carbon sequestration and support biodiversity habitats while producing materials that can replace fossil fuel-intensive products. They can also provide ecosystem services, such as water regulation and soil stabilization, which can improve climate resilience. Implementing sustainable forestry management practices, avoiding harmful land use change, and managing physical climate risks, including wildfires and pests, are key to achieving these benefits.
- While we generally view FSC- and PEFC-certified forests as Medium green, we assign Sveaskog's forestry management and forest holdings a Dark green shade to reflect that only its own forests in Sweden are eligible, which are covered by its strong additional strategies to enhance forest carbon stocks and biodiversity. We also consider related climate and environmental forestry research Dark green due to the benefits of driving improvements in sustainable forestry practices.

- FSC certification is generally seen as the most robust global standard for forest management, while PEFC has important complementary properties such as greater scrutiny of supply chains. The requirements in these certifications provide important safeguards against harmful practices and promote more sustainable management measures beyond regulatory requirements. Nevertheless, risks remain concerning the stringency and real benefits of forest certifications, both related to the requirements (most reasonably run companies are likely to qualify) and application (audits seldom lead to the suspension of certifications).
- We view it as a strength that Sveaskog has set targets and made progress to increase its forests' net growth, because this supports carbon sequestration. While the issuer does not estimate emissions reductions from its bioproducts due to the uncertainty of substitution effects, its timber, bioenergy, and other offerings likely also create positive climate impacts in other sectors by allowing customers to avoid more fossil fuel-intensive alternatives.
- Current biodiversity maintenance or improvements are coming in the wake of a history of intensive forest management in Sweden and other northern European countries that has affected biodiversity in the region. In this context, Sveaskog's efforts to actively support conservation and restoration beyond FSC and PEFC requirements are positive. Of particular note is the company's maintenance of 17% of its land in set-asides or consideration areas with additional nature protections as of 2024 and its plans to set aside an additional 2% of its land for conservation by 2034, which would be nearly 4x the FSC and PEFC minimum of 5% if achieved.
- Intensive cultivation of a limited number of tree types can be negative for biodiversity and diminish forests' resiliency to pests and climate change. This trend applies to many northern European countries and is not unique to Sveaskog or Sweden. We understand that about 97% of the issuer's forests are conifers (pine and spruce) and about 3% are deciduous trees. Sveaskog has committed to establish at least 7% of total planted saplings as species other than spruce or pine on its forest holdings by 2034.
- Harvesting practices can be another contentious aspect of forestry. Sveaskog leaves deadwood and retention trees as part of FSC and PEFC requirements in Sweden. On average, it retains 10%-15% of the old forest stand when harvesting to support biodiversity, which we view as a more sustainable practice than clear-cutting, although biodiversity risks remain.
- Sveaskog confirms that the related infrastructure mentioned in the forest management and forest holdings criteria refers primarily to road construction or maintenance. Costs related to road development, fossil fuel vehicles or machinery, and fertilizer use within the limits of certification are eligible for financing under the framework. While these activities support forestry activities, they can have higher risks because roads can be linked with ecosystem disruption and fossil fuel vehicles; and fertilizer production and application are associated with greenhouse gas emissions. Sveaskog uses fertilizers only on a limited area of its holdings (less than 0.25% annually).
- Sveaskog has undertaken scenario analysis to better understand how physical climate risks can affect its forestry operations and begun implementing climate-specific adaptation measures, which we view as a strength.
- Eligible R&D focused on biodiversity, environmental risk management, climate, and efficiency have the potential to support more sustainable forest management practices. Examples include collaborative efforts to electrify forestry vehicles and equipment, digital maps and tools to inform sustainability decision making, drone-based forest management that can reduce greenhouse gas emissions from alternative equipment along with the need for road construction, and precision scarification and planting equipment development. Sveaskog confirms it will only finance research dedicated to forestry meeting framework criteria, including EU Taxonomy 1.3 commitments.

Renewable Energy

Assessment	Description
Dark green	EU Taxonomy Activities: 4.1 Electricity generation using solar photovoltaic (PV) technology, 4.3 Electricity generation from wind power, and 7.6 Installation, maintenance and repair of renewable energy **Solar power** • Investments in facilities producing solar power using solar PV technology, and supportive infrastructure.

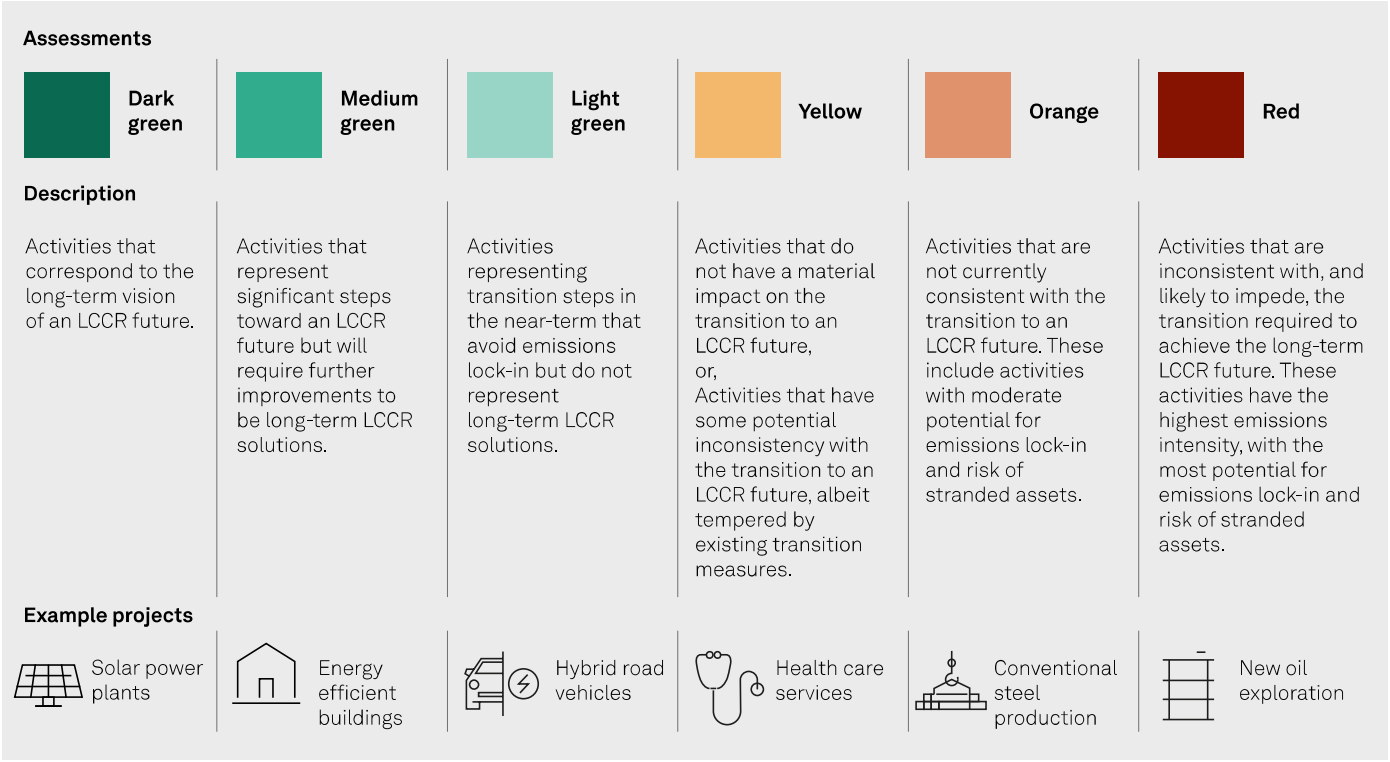
Wind power

- Investments in facilities producing wind power, and supportive infrastructure.

Analytical considerations

- Renewable energy sources are key to limiting global warming to well below 2°C. Still, these projects can cause land-use change and adversely affect local biodiversity, and are exposed to physical risks.
- We assign a Dark green shade to this project category to reflect the benefits of energy generation from solar and wind to reduce greenhouse gas emissions.
- The company confirms eligible supportive infrastructure is related to the installation, maintenance, and repair of wind and solar generation technologies. Examples include cables, monitoring equipment, and access roads.
- Sveaskog typically partners with other companies on renewable energy project design, construction, and operation on its land. While the issuer may have a minority stake in JVs, it confirms it will only allocate green financing to assets and investments that meet all framework requirements.
- To manage siting risks to ecosystems, sustainable sourcing, and end-of-life management for renewable energy projects, Sveaskog confirms it complies with company policies such as its code of conduct, local regulations, and EU Taxonomy DNSH requirements. Projects are expected only on Sveaskog's own forest holdings that have forestry certifications, so FSC guidelines on integrating renewable power and forestry also apply, providing additional safeguards on considering biodiversity in siting decisions, for example.
- Sveaskog manages physical climate risks through its entity-level risk management process.

S&P Global Ratings' Shades of Green



Note: For us to consider use of proceeds aligned with ICMA Principles for a green project, we require project categories directly funded by the financing to be assigned one of the three green Shades.

LCCR--Low-carbon climate resilient. An LCCR future is a future aligned with the Paris Agreement; where the global average temperature increase is held below 2 degrees Celsius (2 C), with efforts to limit it to 1.5 C, above pre-industrial levels, while building resilience to the adverse impact of climate change and achieving sustainable outcomes across both climate and non-climate environmental objectives. Long term and near term--For the purpose of this analysis, we consider the long term to be beyond the middle of the 21st century and the near term to be within the next decade. Emissions lock-in--Where an activity delays or prevents the transition to low-carbon alternatives by perpetuating assets or processes (often fossil fuel use and its corresponding greenhouse gas emissions) that are not aligned with, or cannot adapt to, an LCCR future. Stranded assets--Assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities (as defined by the University of Oxford).

EU Taxonomy Assessment

In our EU Taxonomy assessment, we opine on whether an eligible project to be financed aligns with the EU Taxonomy in cases when the economic activity is covered by TSC, which is incorporated into European law via delegated acts. (see "Analytical Approach: EU Taxonomy Assessment").

Alignment Summary

Aligned = ✓ Not aligned = ✗

✓ EU Taxonomy

Under its Green Bond Framework, Sveaskog outlines its plans to finance activities 1.3 Forest management, 4.1 Electricity generation using solar photovoltaic technology, 4.3 Electricity generation from wind power, and 7.6 Installation, maintenance and repair of renewable energy technologies. All projects will be located in Sweden on Sveaskog's land holdings.

We assess that these projects align with the EU Taxonomy's TSC for substantial contribution and do no significant harm.

Sveaskog's procedures are aligned with the EU Taxonomy's requirements for minimum safeguards.

EU Taxonomy – Detailed analysis

Aligned = ✓ Not aligned = ✗

1.3 Forest management - NACE code: A2

Sveaskog will finance FSC or PEFC certified forest management measures, FSC or PEFC certified forest holdings, and R&D to support forest growth, sustainability, or efficiency. All projects will be in Sweden on Sveaskog's land holdings.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We view Sveaskog's forest management as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective, including requirements around forest management planning, climate benefit analysis, guarantee of permanence, audit, and group assessment. • Swedish legislation does not require any forest management plan or equivalent instrument; however, these plans are part of the FSC requirements Sveaskog follows. At a strategic level, Sveaskog applies a 100-year time horizon and updates long-term plans at a minimum every five years. Data in Sveaskog's near-term plans are updated continuously in an electronic map aligned with Swedish Land Registry information. The issuer's annual reporting also captures broader planning and strategies. Sveaskog confirms its forest management plan encompasses Taxonomy requirements including legal restrictions, forest management practices, road management, nature value assessment, protected areas and nature conservation set-asides, areas where restoration or adaptation measures are applied, and important sites for reindeer husbandry. The issuer confirms it complies with the national law (namely the Swedish Forestry Act) and its forest management practices do not degrade land with high carbon stock, such as peatlands and wetlands. According to Sveaskog, it meets due diligence obligations through complying with Swedish regulations and maintaining its FSC Chain of Custody certificate. • The company annually reports the climate benefit of its forest holdings, finding the stock of sequestered carbon in the standing forest and in long-lived products is increasing. Sveaskog confirms it has carried out a climate benefit calculation through the use of a third party to meet the relevant subcriteria (a)-(d) of criteria 2.3 of the EU Taxonomy, including by comparing to a business-as-usual scenario over a 30-year time horizon, following international standards, covering all carbon pools, and using conservative assumptions, proportionate resolution, and specific data. While there are ongoing questions to regulators on how to undertake this climate benefit analysis, we think the issuer's approach covers key required aspects. Sveaskog complies with EU Taxonomy requirements at forest sourcing area level and its holding are larger than 13 ha.

- Sveaskog confirms that its forest holdings are classified in accordance with the global definitions of permanent forest estates set out by the FAO. Swedish national law includes a definition of forest land that ensures its continued use as forest land, including reforestation obligations. The issuer commits to continue to seek the climate benefits determined in the climate benefit analysis, as reflected in its targets to increase forest growth and carbon sequestration.
- Third-party organizations perform external audits of Sveaskog's forest holdings as part of certification according to the Swedish FSC standard.
- The issuer confirmed group assessment is not applicable to its business in the Swedish forestry context; EU Taxonomy alignment may be checked at the level of the forest sourcing area.
- Sveaskog confirmed that it will check that any eligible R&D is dedicated to EU Taxonomy-aligned 1.3 Forest management activities. With this screening process, we consider the R&D also aligned with EU Taxonomy requirements.

Do no significant harm (DNSH): Technical screening criteria assessment

According to the TSC, this activity must not harm climate adaptation, water, circular economy, pollution prevention, and biodiversity efforts.

- Sveaskog has conducted a physical risk screening assessment and implemented mitigation measures for forestry activities financed under the framework (see the analysis of the generic DNSH criteria section for more details).
- The issuer addresses environmental degradation risks related to water quality and water stress through compliance with Swedish national legislation and FSC criteria. Environmental impact assessments (EIAs) are carried out when deemed necessary by national authorities. Sveaskog includes waterways and other water considerations as part of its forestry management planning (see the analysis of the generic DNSH criteria section for more details).

✓

- Regarding the circular economy DNSH, Sveaskog confirms its forest management activities are not likely to result in primary forest biomass declines that limit wood-based products with long-term circularity potential, as demonstrated through the climate benefit analysis described above. Delivering renewable raw materials to customers is a core part of its business model. The Swedish FSC standard to which the issuer adheres also covers these points, such as through Principle 5 on maintaining benefits from the forest and criteria 6.8, 10.9, and 10.11 on environmental and economic resilience and damage avoidance.
- Sveaskog states that requirements in the pollution prevention DNSH criterion fully coincide with provisions in the criterion 10 of the Swedish FSC standard. It does not use manure, pesticides, or extremely or highly hazardous substances in its operations. FSC criteria 10.7-10.8 and 10.12, as well as Swedish legislation on active substances, cover the use of chemicals. FSC criteria 10.6 addresses the use of fertilizers. Sveaskog only uses fertilizers on a limited area (5,000-10,000 ha annually). The company prevents water and soil pollution through its environmental consideration inventory and follow-up process, targeting 99% avoidance of any damage to watercourses from its forestry activities.
- Swedish law partly covers the requirements of the biodiversity criterion, including conservation in protected areas and EIAs, while FSC requirements do so in more detail. Especially relevant are the requirements under criterion 6 of the Swedish FSC standard dealing with protection and restoration of biodiversity, including requirements for protection of high conservation value areas. See the Issuer Sustainability Context for details on Sveaskog's biodiversity plans, targets, and action steps.

4.1 Electricity generation using solar PV technology - NACE code: D35.12

Sveaskog will finance facilities producing solar power using solar PV technology. All projects will be in Sweden on Sveaskog's land holdings.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We think the electricity generation from solar PV technology project meets the TSC for a substantial contribution to the EU's climate mitigation objective.
	Do no significant harm (DNSH): Technical screening criteria assessment
✓	According to the TSC, this activity must not harm climate adaptation, circular economy, and biodiversity efforts.

- Sveaskog will conduct a physical risk screening assessment for all solar activities financed under the framework (see the analysis of the generic DNSH criteria section for details).
- Regarding the circular economy DNSH, Sveaskog commits to apply industry standards in procurement and reuse or recover materials where possible. The company will update its internal EU Taxonomy implementation guidelines to reflect these requirements before initiating eligible projects.
- For the DNSH on biodiversity, the issuer says EIAs will be conducted in line with the requirements of the biodiversity DNSH, if required (see the analysis of the generic DNSH criteria section for details).

4.3 Electricity generation from wind power - NACE code: D35.12

Sveaskog will finance facilities producing wind power. All projects will be in Sweden on Sveaskog's land holdings.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's activity of electricity generation from wind power as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective
	Do no significant harm (DNSH): Technical screening criteria assessment
✓	According to the TSC, this activity must not harm climate adaptation, the circular economy, or biodiversity efforts. Pollution prevention and water are not applicable for this eligible economic activity, since the issuer has confirmed that no offshore wind projects are part of the financing. • Sveaskog will conduct a physical risk screening assessment for all wind power activities financed under the framework (see the analysis of the generic DNSH criteria section for details). • Regarding the circular economy DNSH, Sveaskog commits to apply industry standards in procurement and reuse or recover materials where possible. The company will update its internal EU Taxonomy implementation guidelines to reflect these requirements before initiating eligible projects. • Sveaskog will carry out an EIA in line with the requirements for the generic biodiversity DNSH (see the analysis of the generic DNSH criteria section for more details).

7.6 Installation, maintenance and repair of renewable energy technologies - NACE codes: F42 or F43

Sveaskog will finance installation, maintenance and repair of the wind and solar projects described in EU Taxonomy activities 4.1 and 4.3. All projects will be in Sweden on Sveaskog's land holdings.

Opinion	Key findings
	Substantial contribution: Technical screening criteria assessment
✓	We consider the issuer's activity of on-site installation, maintenance, and repair of the solar PV systems, wind turbines, and related ancillary technical equipment as aligned with the TSC for substantial contribution to the EU's climate change mitigation objective.
	Do no significant harm (DNSH): Technical screening criteria assessment
✓	According to the TSC, this activity must not harm climate adaptation. • Sveaskog will conduct a physical risk screening assessment for all wind power activities financed under the framework (see the analysis of the generic DNSH criteria section for more details).

Analysis of the generic DNSH criteria

Aligned = ✓ Not aligned = ✗

Opinion	Environmental objective	Key findings
✓	Climate adaptation	Sveaskog has undertaken physical climate risk assessment using scenario analysis and incorporated adaption measures into is forestry management. As part of its annual business plan, the company undertakes a risk inventory and identifies mitigation measures, including for physical and transition climate risks. In 2021, in collaboration with the Swedish Meteorological and Hydrological Institute, Sveaskog leveraged UN IPCC models for 2050 and 2100 to undertake scenario analysis considering climate risks under RCPs 2.6, 4.5, and 8.5. Through this assessment, the issuer identified physical risks to its forestry operations and began implementing adaptation measures, including tree species diversification, pest management measures, and watercourse and wetland restoration. The assessment is kept up to date through annual risk assessment processes and a more comprehensive review every five years. Sveaskog's physical climate risk assessment and mitigation measures to date has focused on its forestry operations, but the company confirms that for any financed wind and solar power generation projects under the framework, these analyses will be conducted during their planning and development phases and followed up on during operation in alignment with the Taxonomy criteria.
✓	Sustainable water	Sveaskog addresses environmental risks related to water quality and water stress through compliance with Swedish national legislation that has incorporated the EU directives and regulation, including the Swedish Environmental Code, regulation on water management and water quality (förordningen SFS 2004:660), and the instruction to regional county boards (förordning 2002:864 med länsstyrelseinstruktion). The water DNSH criteria are also addressed by FSC criterion 6.7, dealing with requirements for environmental care and nature conservation in connection to water courses, lakes and wetlands. Sveaskog has confirmed that it carries out EIAs when deemed necessary by national authorities as part of the permitting process, including for eligible wind and solar projects if financed under the framework.
✓	Pollution prevention	Sveaskog confirms its activities do not lead to the manufacture, market placement, or use of extremely or highly hazardous substances detailed in the pollution prevention DNSH criteria. Activities comply with Swedish national regulation on active substances.
✓	Biodiversity protection	Swedish law partly covers the requirements of this criteria, including EIAs, and FSC requirements do so in more detail. County Administrative Boards (Länsstyrelsen) are the supervisory authority in Sweden for EIAs. Within the Swedish FSC standard, especially relevant are the requirements under criteria 6 dealing with protection and restoration of biodiversity, as well as requirements for protection of high conservation forests. Sveaskog undertakes ecological value assessments in accordance with EU Taxonomy requirements for all its forest holdings. It confirms that for new wind and solar projects eligible for financing under the framework, relevant EIAs will be undertaken during the development process to meet EU Taxonomy requirements on this topic.

Minimum safeguards assessment at issuer level

Aligned = ✓ Not aligned = ✗

Opinion	Key findings
✓	In implementing the projects in Sweden, Sveaskog has processes and policies that, in our view, align with the four components of the minimum safeguards. • Sveaskog has established a human rights due diligence process in its activities and supply chain to identify any actual or potential impacts on human rights and implement mitigation measures. Being a state-owned entity, the issuer's operations are aligned with the Swedish state ownership policy. Additionally, it is guided by key international frameworks, including the United Nations Global Compact, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. The company includes human rights topics in its code of conduct and guidelines on human rights and working conditions. These apply for its own employees and for its customers, suppliers, and contractors. Policy implementation occurs in core processes, including onboarding, performance reviews, procurement, and follow-ups, including internally and via external consultants for both own employees and contractors. Sveaskog has assessed salient human rights risks in its operations and value chain, identifying

interactions between its forestry practices and the traditional reindeer husbandry rights of the Sámi people as a key issue. It maintains structured stakeholder engagement processes and has a whistleblower mechanism whereby notifications go to an external company, and anonymous reporting is possible. The company reports on metrics such as number of follow-ups to check compliance, and the number of co-planning actions on reindeer husbandry with the Sámi people.

- To address the risks of corruption and bribery, Sveaskog includes anti-corruption topics in its code of conduct as well as its guideline on bribery, gifts, and representation. It engages in dialogue with employees and suppliers on this topic, provides internal training, and maintains internal control processes, including a whistleblower mechanism.
- Sveaskog confirms that compliance in taxation is a core element of its governance and oversight, including following OECD guidelines on taxation. This is set out in Sveaskog's company guideline on tax matters within the Sveaskog Group, which clarifies responsibilities and compliance mechanisms. The company applies an annual tax cycle with control points throughout the year and monitors regulatory developments on this topic.
- To ensure compliance with competition law, Sveaskog has established its guidelines for compliance with competition rules and provides regular training on this topic.
- The issuer has indicated and we have confirmed that there have been no cases or convictions that would indicate a failure in its management of the risks related to human rights, corruption, taxation, and fair competition.

Mapping To The U.N.'s Sustainable Development Goals

Where the financing documentation references the Sustainable Development Goals (SDGs), we consider which SDGs it contributes to. We compare the activities funded by the financing to the International Capital Markets Association (ICMA) SDG mapping and outline the intended linkages within our SPO analysis. Our assessment of SDG mapping does not affect our alignment opinion.

This framework intends to contribute to the following SDGs:

Use of proceeds	SDGs
Sustainable Forestry	 **12. Responsible consumption and production***  **15. Life on land***
Renewable Energy	 **7. Affordable and clean energy***

*The eligible project categories link to these SDGs in the ICMA mapping.

Related Research

- Ripple Effect: How Value Chains Compound Sector Exposures To Physical Climate Risks, March 13, 2025
- Analytical Approach: Second Party Opinions, March 6, 2025
- FAQ: Applying Our Integrated Analytical Approach For Second Party Opinions, March 6, 2025
- Analytical Approach: Shades Of Green Assessments, July 27, 2023
- Analytical Approach: EU Taxonomy Assessment, Oct. 31, 2024
- Environmental, Social, And Governance: Too Late For Net-Zero Emissions By 2050? The Potential Of Forests And Soils, June 4, 2020

Analytical Contacts

Primary contacts

Catherine Rothacker
Oslo
+47 941-57-987
catherine.rothacker
@spglobal.com

Secondary contacts

Carina Waag
Oslo
+47 941-55-478
carina.waag
@spglobal.com

Pierre-Brice Hellsing
Stockholm
+46 844-05-906
pierre-brice.hellsing
@spglobal.com

Tim Axtmann
Oslo
+47 941-57-046
tim.axtmann
@spglobal.com

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