

ANNUAL AND SUSTAINABILITY REPORT

# 2023







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The annual report with the management report comprises pages 3, 14, 45–52, 63, 70–116 and 120. The scope of the Sustainability Report is presented on pages 63 and 124.

# Sweden's largest forest owner

Sveaskog is Sweden's largest forest owner – with the ambition to be the world leader in sustainable value creation in the forest. The company owns 14 per cent of Sweden's forest land and has around 800 employees throughout the country.

Sveaskog is owned by the Swedish State. The company's core business is forestry and the company is an independent player with no major interests of its own as an end-user of wood raw materials. Sveaskog's mission is to conduct the business on a sustainable commercial basis and generate a market-based return. Related business can be conducted if it contributes to increasing the company's return.

## 100%

owned by the State

## 800

employees

## SEK 7,863

million in net sales

## 12

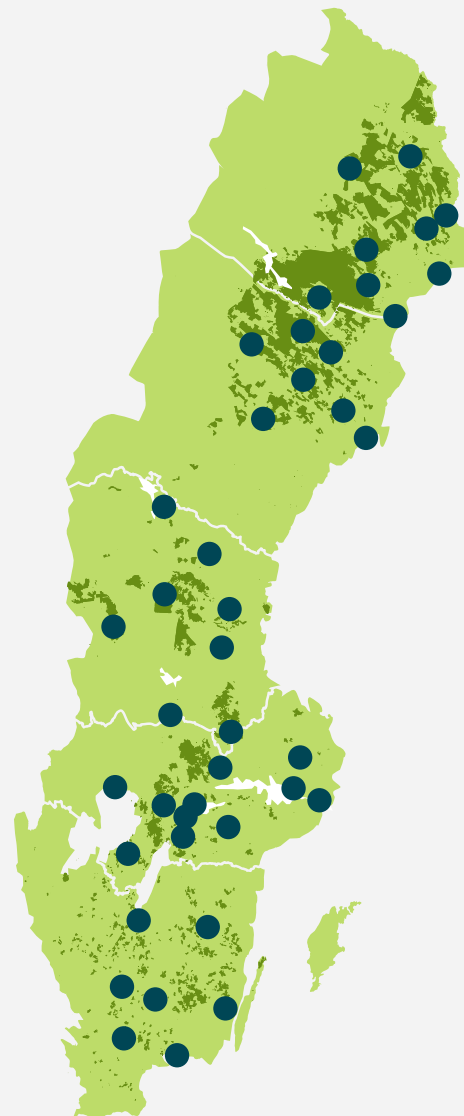
Strategic targets for sustainable value creation

## 131

million seedlings/year

## 29%

of forest area is excluded from forestry



Sveaskog owns

## 14%

of Sweden's forests

Sveaskog's business activities are conducted in an operational unit divided into five regions – Götaland, Svealand, southern Norrland, Västerbotten and Norrbotten.

This is complemented by the business area Svenska Skogsplanter and a forestry unit, as well as a number of Group functions.

Other businesses include land use concessions, concessions for wind and solar power, Hjälmare Kanal and Mörrum's Kronolaxfiske.

■ Sveaskog's land holdings

● Sveaskog's offices and nurseries



# It all starts with the forest



Sawlogs



Pulpwood



Biofuel



Seedlings



Solar and wind  
power



Hunting, fishing and  
nature tourism



Sveaskog's own forests are certified according to both FSC® and PEFC standards. All timber purchased from other forest owners must meet FSC's Controlled Wood and Chain of Custody requirements. FSC-C008344, PEFC/05-23-239

<sup>1)</sup> The concepts of environmental objective and environmental quality objective are synonymous.

Sveaskog's core business is to manage the forest, and provide timber, pulpwood, wood chips, biofuel, seedlings and forest services. The customers are mainly in the Swedish forest industry and the Swedish energy sector. In addition, Sveaskog makes land concession deals and develops the forest as a place for fishing, hunting, tourism and other nature experiences.

Sveaskog's vision is to be the world leader in sustainable value creation in the forest. In order to achieve this, the company strives for the best

balance in ecological, economic and social values. This can be achieved through our unique competence, size and capacity.

Sveaskog works with management methods that reduce the risk of climate-related damage to the forest and strengthen the forest's resilience to various pest attacks. Through sustainable forestry, Sveaskog can deliver renewable raw materials to customers while contributing to the UN's 2030 Agenda, the Swedish environmental objectives<sup>1)</sup>, the Paris Agreement and the EU's climate targets.



# Sveaskog's land

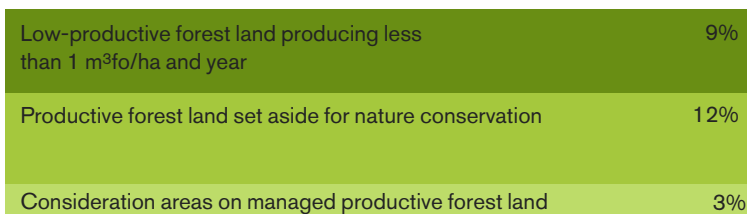
## 59%

Managed forest land



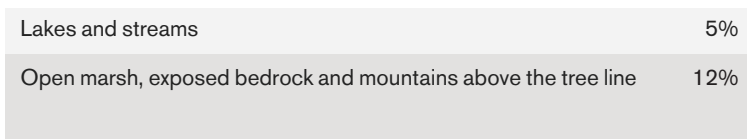
## 24%

Land excluded from forestry



## 17%

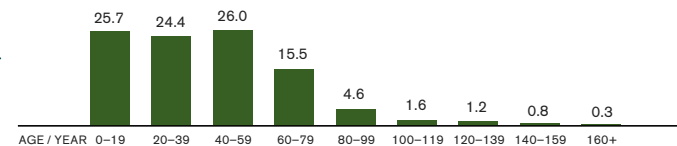
Other non-managed land



Sveaskog owns 3.9 million hectares of land, of which 3.02 million hectares are productive forest land, meaning land that produces more than 1 m³fo/ha and year. An overview of Sveaskog's land holdings and how they are used is presented here. Today, a total of 24 per cent of forest land is excluded from forestry. On these lands, forestry can be carried out in the form of nature conservation. A further 12 per cent consists of open marshes, exposed bedrock and mountains above the tree line, and is exempt from management.

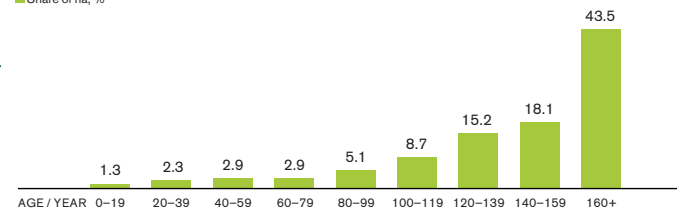
### AGE DISTRIBUTION IN MANAGED PRODUCTIVE FOREST LAND

■ Share of ha, %



### AGE DISTRIBUTION IN PRODUCTIVE FOREST LAND SET ASIDE FOR NATURE CONSERVATION

■ Share of ha, %



The diagram at left is intended to show the entirety of Sveaskog's land holdings divided into the parts reported nationally in Statistics Sweden's recurring statistics.

# Forestry in figures

	2019	2020	2021	2022	2023
Total land area, million ha	3.90	3.90	3.90	3.89	3.87
Of which productive forest land, million ha	3.05	3.04	3.04	3.03	3.02
Carrying amount, in accordance with IFRS, MSEK <sup>1)</sup>	36,623	82,430	85,430	88,862	100,221
Taxable value, MSEK	58,294	66,344	66,344	66,471	81,209
All deliveries, thousand m <sup>3</sup> sub	10,648	10,629	10,682	10,360	8,930
Deliveries from own forest, thousand m <sup>3</sup> sub	6,127	6,248	6,290	5,866	5,064
Timber purchases, thousand m <sup>3</sup> sub	1,701	1,726	1,812	1,738	1,408
Central purchases and imports, thousand m <sup>3</sup> sub	2,819	2,675	2,394	2,756	2,459
Number of seedlings delivered, of which to own forest, million seedlings	137/46	133/50	149/62	138/53	131/52
Timber stocks, million cubic metres of forest <sup>2)</sup>	239	277	278	281	283
Reforestation, hectares <sup>3)</sup>	24,307	26,123	29,686	26,015	24,717
Regeneration felling, area hectares	28,150	27,100	25,160	19,600	15,081
Soil preparation, area hectares, including selective burns	21,538	26,876	22,670	22,302	20,373
Planting, hectares, including auxiliary planting	23,631	25,607	30,626	27,024	25,924
Natural regeneration, area hectares	590	470	460	270	124
Sowing, area hectares	2,732	2,720	1,217	941	859
Clearing, area hectares, including pre-thinning clearing	56,635	52,733	49,280	49,149	54,021
Thinning, area hectares	25,120	28,790	30,180	27,250	22,806
Area managed using continuous cover forestry methods, hectares <sup>4)</sup>	2,150	2,150	11,710	11,710	11,710

<sup>1)</sup> In 2020, Sveaskog changed the accounting principle when valuing total forest assets.

<sup>2)</sup> 2022, 2021 and 2020 values refer to productive land minus ecoparks minus trial parks and minus nature reserves, while values from 2019 and previously refer to managed land excluding high conservation value forests.

<sup>3)</sup> Natural regeneration, sowing and planting excluding beeting. The values for 2020-2022 have been adjusted in accordance with the new definition.

<sup>4)</sup> Continuous cover forestry on forest land with production targets means that the forest is managed in such a way that the land is always wooded without creating any large clear-cut areas. (Swedish Forest Agency's definition). Sveaskog points out the area of the trial areas where there will be trials/evaluations of different continuous cover felling methods.

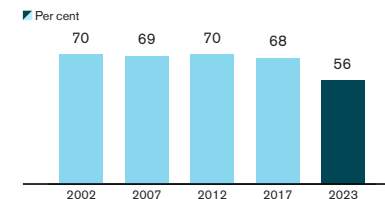
## Timber extraction

Sveaskog's timber extraction is based on a long-term calculation. In 2023, extraction corresponded to 56 per cent of growth on managed land. 64 per cent of timber extraction took the form of regeneration felling and 25 per cent thinning. Pine is the dominant tree species in timber extraction, followed by spruce and deciduous trees.

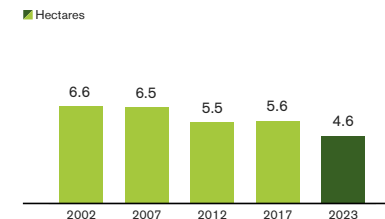
## Average size of regeneration fellings

Sveaskog's regeneration felling varies in scope, from about 0.5 hectares up to about 20 hectares, depending on the conditions on site. In rare cases, this area may be larger. Below is the historical development of the average scope since Sveaskog was founded.

TIMBER EXTRACTION AS A PERCENTAGE OF VOLUME GROWTH ON MANAGED LAND



AVERAGE SIZE REGENERATION FELLINGS



SHARE OF TREE SPECIES ON SVEASKOG'S LAND BY VOLUME

64%

Pine

27%

Spruce

9%

Hardwood





## A year of future proofing

During the year, we developed a new strategic direction to make the best use of the asset that our forests and land represent, while at the same time meeting the current climate and environmental objectives. To prepare for the future, we continued to develop the business through investments in partnerships, new technologies and employee development.

Interest in our industry continues to grow. Our ambition is to be the world leader in sustainable value creation in the forest and as the country's largest forest owner, we are an important player both for the country as a whole and for the forest industry. As climate challenges increase, more and more people are engaged in the forest. Different perspectives are presented both nationally and as part of EU policy. At times, emotions run high and the public debate is characterised by opportunities as well as threats, conflicts of interest and polarisation. In terms of the view of what the forest provides, both the renewable wood raw material and the untouched forest are highlighted as part of the ecosystem. For Sveaskog, this means both increased opportunities and new challenges.

When I took office in early 2022, I noted that the forestry industry is an industry undergoing change and I have since stressed the importance of creating

relevance for the company in today's surrounding context. 2023 is my second year as the CEO of Sveaskog and the internal work during the year has been characterised by building the foundation for the future. We need to move from a short-term focus on delivery of volumes to a more market-oriented business where our volumes of timber, pulp and fuel are long-term sustainable on the basis of our own forests. This is needed to future-proof our business and thus ensure a long-term good return for our owner. Comprehensive strategy work with broad involvement has therefore been carried out to position us correctly in that shift. This work has resulted in an updated strategy.

I would like to emphasise that our strategy also benefits Swedish industry and contributes to long-term sustainability and competitiveness. With timber production as the main focus and through more varied forestry, our goal is to contribute to a significant

and successful forest industry. Our domestic forest industry is crucial for Sveaskog's long-term profitability, the country's growth and welfare and is a key in the green transition.

### Responsible forest owner

Sveaskog feels responsible for the operations carried out on the company's land. Previously primarily acting as a raw material supplier to the forest industry, we are now transitioning to be a more multi-faceted forest owner who actively manages and develops value across our entire land holdings.

We want to develop a more varied forestry. A forestry with a greater variation between even-age forestry and nature conservation and with more variation regarding, for example, tree species and management methods. In this way, we create long-term value in the forest – for the climate, biodiversity, growth and profitability. We will responsibly clean, thin, harvest and set aside areas in the forests we have been entrusted to manage with a maximisation of our land assets in the long-term in mind rather than with the industry's short-term need for timber deliveries in focus. In parallel, we are working to ensure good regeneration and promote biodiversity and a wide range of important ecosystem services on our land.

Through land use concessions, we then develop the forest as a place to experience nature. Our land holdings also offer opportunities for new business, including increased revenues from wind and solar power. Therefore, although Sveaskog's primary business is forestry, we have broadened our ambi-

tion and will take an increasingly active role in the value chain. Increased land-related business also secures resourcefulness, proactivity and legitimacy that benefits forest activities.

### Sweden's most important forest owner

Sveaskog has a unique position in the Swedish market. Our ability to have a holistic perspective and balance ecological, economic and social values in combination with our size and State ownership makes us Sweden's most important forest owner.

During the year, Sveaskog's vision, to be the world leader in sustainable value creation in the forest, has also been established. The way to the vision has been broken down into four strategic goals for sustainable value creation: increased forest growth, increased climate benefit, development of biodiversity and ecosystem services and increased sustainable return. During the year, we experienced a great deal of interest from innovative players in the green transition. By cooperating with us, as a sustainable forest operator, they want to use the sustainable production of green carbon atoms in the forests for sustainable new products.

As Sweden's largest forest owner, we feel a great responsibility for our mission and our ambition is for the surrounding world to have confidence in us as we take on that responsibility. With our extensive expertise, developed business relationships and carefully chosen partnerships, it is therefore our ambition to take the lead and show how sustainable and responsible forestry can be conducted.

### Stable finances despite declining economic activity and adjusted felling levels

The general economic situation in 2023 was largely characterised by inflation, higher energy costs and geopolitical tensions. Demand for forest raw materials remains high as the supply of timber, pulpwood and forest-based biofuels in the country was generally lower than expected.

As a result of the timber shortage and increased demand for energy wood, prices soared during the year to record levels for both pulpwood and sawlogs which has benefited Sveaskog. The forest industry is one of Sweden's most influential industries and the declining economic situation poses a challenge to both our timber and pulpwood customers. We are closely monitoring the development of our customers and their customers.

At the beginning of 2023, we decided to further reduce felling levels in Norrbotten due to the fact that the co-planning processes with the reindeer herding did not work out as planned. The adjustment meant a reduction in regeneration felling and our hope is to get back to long-term sustainable levels of felling and other forestry measures as soon as possible.

During the year, Sveaskog was the first forest company in the EU to introduce a new green bond framework in accordance with the EU taxonomy. This creates better conditions for new green investments in the forest and strengthens the company's competitiveness.

### Challenging conflicting interests

Sveaskog's strategic move towards increased sustainable returns and developed ecological values demands broad dialogue and the ability to manage the conflicting interests that exist in the forest. Part of this is my personal involvement in the land that is jointly used for reindeer husbandry. I am very concerned about the increased polarisation between the Sami and the rest of society and work actively for improved relations and mutual trust. In the past year, we continued to work to reach agreements that allow us to use our land and return to long-term sustainable felling volumes. This work has made some positive impact, but unfortunately challenges remain both in the short-term and for long-term coexistence.

### Committed employees

Sveaskog wants to build an inclusive culture that promotes a sense of belonging, job satisfaction and community and that enables different perspectives and competences to come to their right. I experience a great deal of commitment from our employees both in the day-to-day work and in the company's strategic move towards increased sustainable returns and developed ecological value. We have an important role to play and I would like to conclude by thanking all our employees for a successful year, which also contained extraordinary challenges such as the storm Hans and African swine fever. I also want to thank the company's customers, suppliers, contractors and partners for the past year.

Erik Brandsma  
President and CEO



# Surrounding world and events

Surrounding world  
Events





# Surrounding world

## Announcement of new forest policy

The government announced a new forest policy, partly by announcing the appointment of a new forest policy commission, and partly by setting up a commission of inquiry into strengthening ownership rights and compensation in the event of an infringement of the right of use. The commission into ownership rights was set up in August. By the end of the year, the forest commission had not yet been appointed.

## Economic downturn in the construction sector

The strained economic situation and increased interest rates in Sweden and Europe reduced demand for sawn timber. At the same time that timber prices remained high, there was a surplus of end products. Swedish sawmills have reduced production, but not as much as their international colleagues.



## The European Parliament agreed on proposals for the Renewable Energy Directive (RED)

After many years of discussion, the European Parliament ended up with a proposal dealing with how forest fuels can be used for bioenergy purposes. The end result was an increased ambition for renewable energy, including bioenergy, and increased requirements for the sustainability of biofuels, while the possibility of continued use of forest residues in the district heating sector remains.

## EU activities with an impact on forests

During the year, the EU replaced the Timber Regulation with the Deforestation Regulation and amended the Taxonomy Regulation and the Nature Restoration Law. Negotiations commenced legislative bills covering industrial carbon uptake, so-called carbon farming, and analysis of amended soil health directives.

## Debate on the reindeer industry

The debate on the rights of the Sami people and the future of the reindeer industry became more charged partly through the discussion on coexistence, partly through discussions related to mining development, access to the Wilderness Road tourist route and opportunities for the tourism industry in the Jämtland Triangle.

## New hunting and wildlife management authority

In July, the Government set up a commission of inquiry that included proposing a new hunting and



wildlife management authority at the national level. The purpose of the commission is to ensure an effective division of responsibilities that promotes long-term sustainable hunting and wildlife conservation and a functioning wildlife management. The commission should issue its report January 2025.

## Debate on the elk population

Opinions on how to run elk management continued to differ between hunters and forest owners and in the autumn of 2023 there was an intense debate on the numbers of elk. The size of the elk population is the result of several and complex causes. Although the elk population has decreased by 40 per cent in seven years, grazing damage has not decreased to the same extent. It is worth noting that Sweden is still the most elk-dense country in the world.

## AI

Artificial intelligence (AI) is rapidly developing in pace with increased access to data and a global technology transition. It is paving the way for both new opportunities and as yet unknown sequences of events within the forest industry as well.

## Biocredit research project

In the spring, the Swedish University of Agricultural Sciences (SLU) launched a research project to investigate markets and models for biocredit. The researchers have developed three models for what it might look like: one for the protection of the forest, one for the restoration of forests and one for the forestry close to nature. The researchers note that biocredit schemes could serve as a complementary means of financing nature conservation.



# Events

## Reduced felling levels in Norrbotten

Sveaskog announced in January that regeneration felling in Norrbotten would temporarily be significantly reduced as a result of the locked position in the discussions with some Sami villages. The company is engaging in dialogue with entrepreneurs, industries, municipalities and others involved.

## Protection of unique natural mountain forests

Through a new agreement in February, Sveaskog and the Swedish Environmental Protection Agency provided long-term protection to 100,000 hectares of natural forests in mountainous terrain. The joint effort will preserve the biological values and natural ecosystems of the unique forest environments for future generations. At the same time, good opportunities are created for outdoor activities and nature tourism from Norrbotten in the north to Dalarna in the south.

## The Ecoparks 20 years

In 2023, 20 years had passed since Sveaskog opened its first ecopark at Omberg in Östergötland. Several have been added since. The most recent was the Öjesjöbrännan Ecopark in Västmanland that was inaugurated in 2016. Today, visitors can enjoy magnificent and diverse nature in Sveaskog's 37 ecoparks throughout Sweden.



## Sveaskog raised timber prices

The need for green raw materials in industry remains high. Sveaskog's customers demanded increased deliveries. Like Sweden's private forest owners, Sveaskog wants to contribute to active forestry among smaller forest owners as well and to strengthen the value of the Swedish forest. At the beginning of the year, Sveaskog's compensation increased to private forest owners who sell their timber to Sveaskog and more price adjustments have since been continuously made throughout the year.

## 83rd opening of the Kronolaxfisket angling waters in Mörrum

At the end of March, it was time for Sweden's largest sport fishing celebration – the premiere of Kronolaxfisket in Mörrum. Mörrum's Kronolaxfiske is part of Sveaskog and the premiere is an attraction among anglers throughout Europe.

## The first forest company to include the EU taxonomy

During 2023, Sveaskog renewed its green framework for sustainable investments and third parties have assessed that it is in line with the EU's taxonomy.

Sveaskog is thereby the first forest company in Europe with a green financial bond framework compatible with the EU taxonomy. The framework replaced Sveaskog's framework for green bonds from 2017.

## Sveaskog's Annual General Meeting 2023

The Annual General Meeting adopted the income statement and balance sheet for 2022 and granted discharge from liability to the Board and the CEO. The Annual General Meeting re-elected Kerstin Lindberg Göransson, Anna Belfrage, Marie Berglund, Leif Ljungqvist, Måns Nilsson and Elisabet Salander Björklund as members of the Board of Directors. Uno Brinnen and Timo van't Hoff were appointed as new Board members. Kerstin Lindberg Göransson was re-elected as Chair of the Board. Sven Wird had declined re-election.

## Transfer of compensation land to the State for the protection of valuable forests

In accordance with a decision of the Swedish Parliament, an Extraordinary General Meeting in December resolved to transfer 21,525 hectares of compensation land to the State. This was in light of the Swedish Environmental Protection Agency being commissioned in 2022 to create the conditions for the protection of valuable forests by using unprotected productive forest land from Sveaskog as compensation to other forest owners.

### Sector winner in the Sustainable Brand Index

In 2023, Sveaskog was once again named Sweden's most sustainable brand within the industry category "forest owners" in Europe's largest independent brand survey on sustainability, the Sustainable Brand Index. The ranking of brands in the Swedish market is based on how consumers perceive them based on different sustainability aspects. On the full list of sustainable brands in Sweden, Sveaskog climbed to 75, the company's best result in the past three years.

### Sveaskog sponsored the Swedish Biathlon Federation

Sveaskog started a long-term collaboration with the Swedish Biathlon Federation focused on children and young people to promote regrowth in Swedish biathlon. The collaboration extends over four seasons, to the end of 2027.

### The storm Hans

The storm Hans hit Sveaskog hard in Västerbotten, mainly in Malå Municipality but also in the municipalities of Norsjö and Sorsele. The scope of the worst affected area is 4 x 70 km and all types of forest of all ages were blown over. Conservation forests and forests excluded from use were also affected. The company is working in a structured way to take care of the situation and the aim is to complete the clean-up in the storm area in June 2024.

### African swine fever

After African swine fever was found in a sample from a dead wild boar on Sveaskog's land in Fagersta Municipality, all production, planning and hunting in the area were stopped. Sveaskog followed the authorities' decision and also assisted in limiting the spread of infection.

### New protective treatment against pine weevil infestation

Svenska Skogsplantor introduced a new protective treatment against pine weevil infestation for bare-root seedlings. The treatment is called Connisafe and consists of a mineral mixture that encloses the sapling using a water-based binding agent. The pine weevil cannot gnaw off the coating and is thereby unable to reach the trunk. At the same time, the coating is flexible so as not to hinder the sapling's growth. Connisafe is a refinement of the protective agent Conniflex.

### Restoration of wetlands in the Hornsö Ecopark was completed

With the measures on the Rumshorva fen, the restoration of wetlands within the Hornsö Ecopark was completed. Historically, the fen was drained by digging through a gravel ridge so that the wetland was given a new outlet. When the land became drier, it was used as agricultural land and then as forest land. Now the outlet has been filled in and the water can take its original run-off path. This raises the water table in the wetland.



### Increased ambitions to reduce driving damage

Avoiding driving damage and track formation during off-road driving was developed in accordance with the Swedish Forest Agency's objective for driving in forest land and for crossings over watercourses. Sveaskog is working in accordance with the industry-wide policy against driving damage.

A company-wide definition for measuring track formation during off-road driving was developed in accordance with the Swedish Forest Agency's objective for driving in forest land and for crossings over watercourses. Sveaskog is working in accordance with the industry-wide policy against driving damage.



# Operations

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- [Land and land use](#) →
- [Employees](#) →
- [Customers](#) →
- [Contractors](#) →
- [Partnerships, cooperation and dialogue](#) →



# Sveaskog's business model

## Assets

### Forests and land

- Sveaskog's forest holding of 3.9 million hectares corresponds to 10 per cent of Sweden's surface area.
- 3 million hectares are productive forest land.
- Sveaskog is located in approximately 170 of the country's 290 municipalities.

### Financial stability

- Sveaskog is a financially stable company that is resistant to fluctuations in the market. The net debt/equity ratio is 0.11 times and the equity ratio was 70 per cent.

### Employees

- Sveaskog's employees have extensive knowledge of forestry and specialist knowledge in their respective areas of expertise.

### Partnerships and collaboration

- Sveaskog has close collaboration and partnerships with customers, suppliers and contractors.
- Sveaskog collaborates with universities and industry organisations in research projects that increase innovation and improve forestry.



## Operations

### Deliveries

- Total delivery volume: 8,930 (10,360) thousand m³sub.
- From own forest: 5,064 (5,866) thousand m³sub.
- External purchases of timber from private landowners: 1,408 (1,738) thousand m³sub.
- External timber purchases from other companies: 2,043 (2,304) thousand m³sub.
- External timber purchases via imports and erwise: 146 (452) thousand m³sub.
- During the year, the Svenska Skogsplanter business area delivered 131 million seedlings to both Sveaskog's own forest and external buyers.

### Concessions

- Sveaskog provides land concessions for various purposes and to different types of actors.



## Earnings

### Customers

#### Sawmills

- Deliveries of sawlogs to some seventy sawmill customers in Sweden.
- The sawlogs are processed and used primarily for houses and furniture.
- Sawlogs: 3,532 (4,373) thousand m³sub, 40 per cent of the total volume sold.

#### Pulp and paper mills

- Deliveries of pulpwood to some 20 paper and pulp mill customers who manufacture packaging paper and other paper products.
- Pulpwood: 4,932 (5,539) thousand m³sub, 55 per cent of the total sold volume.

#### Biofuel

- Deliveries to some 60 biofuel customers in Sweden, mainly heating plants.
- Biofuel: 466 (448) thousand m³sub.

#### Other forest owners

- Approximately 3500 forest owners buy seedlings and forest management services from Sveaskog.

#### Concessions

- Land concessions issued for wind power stations, solar power parks, power line routes, nature tourism, hunting rights and fishing.

### The forest and its wetlands

- The standing forest grew about 12.3 million m³fo during the year.
- In 2023, three watercourses and 46 wetlands were restored.

### Society

- The forest creates climate benefits by sequestering carbon and by creating the conditions for the substitution of fossil materials with a high climate impact. Read more about the climate benefits of forests on pages 40–41.
- Forests create jobs in rural areas while at the same time being available for outdoor activities and recreation. As Sveaskog also buys timber from many individual actors, Sveaskog contributes to the industry locally.
- Sveaskog has entrepreneurs who perform work equivalent to 1,600 full-time jobs per year.
- Sveaskog paid SEK 239 million in taxes during 2023.

### Employees

- Sveaskog has approximately 800 employees. Most of them work in forestry and at Svenska Skogsplanter. The majority are active in rural areas and in smaller localities.

### Owner

- In 2023, the total cash dividend to the owner was SEK 1.5 billion, which contributes to the country's welfare.



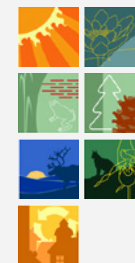
## Grants

### The UN's global goals and Sweden's environmental targets

#### 2030 Agenda



#### Sweden's environmental quality targets



**Vision: To be the world leader in sustainable value creation in the forest**

**Mission: Long-term management and returns from forests and land**

# Forests and the raw materials supply

Sveaskog delivers a sustainable raw material to its customers and all parts of the tree are utilised. The company's forests are certified in accordance with both FSC and PEFC standards, and Sveaskog requires FSC Controlled Wood for all timber bought from other forest owners.

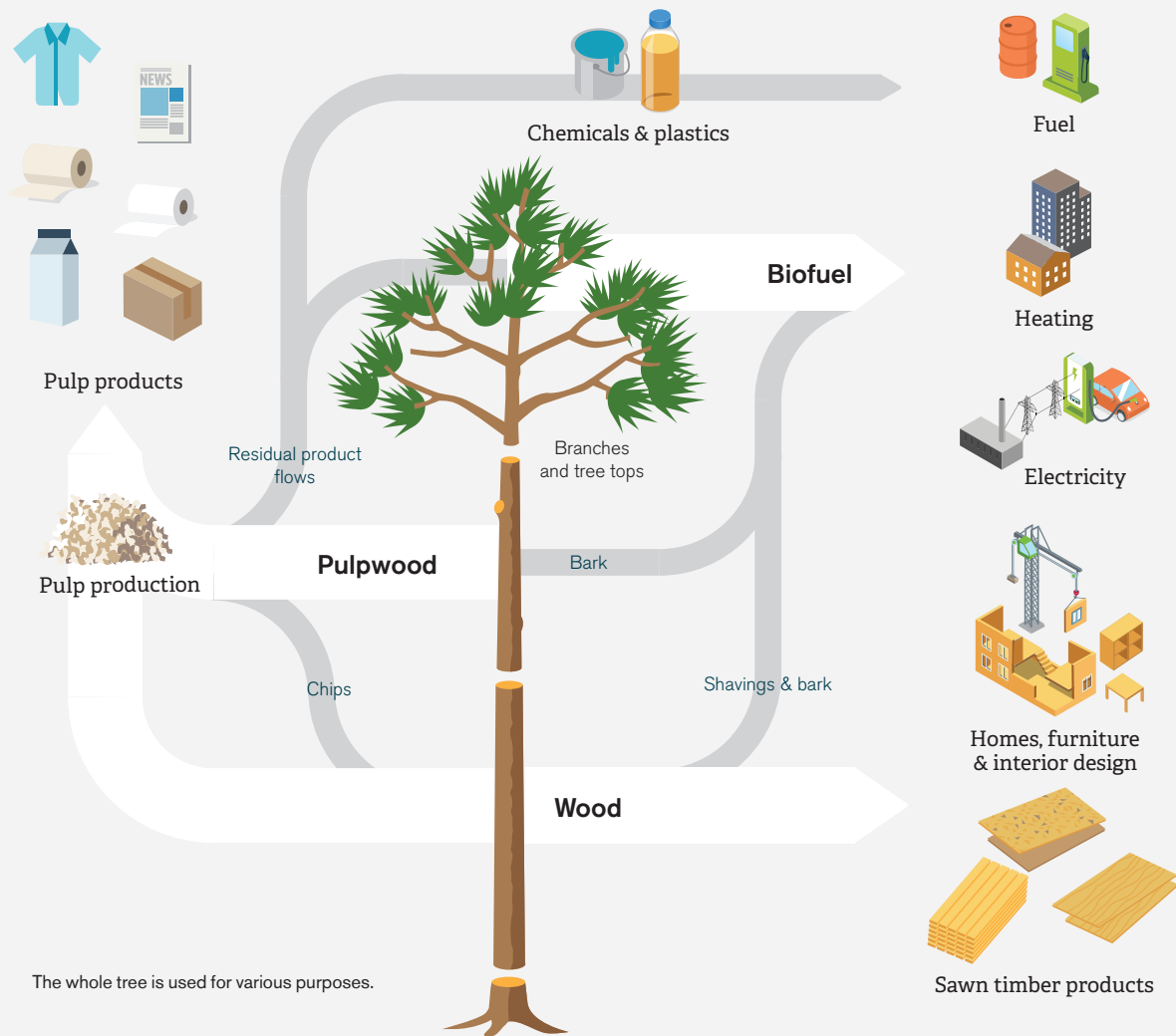
Sveaskog's forestry is primarily aimed at timber production and high quality deliveries that meet the customer's requirements and expectations. The company is a significant player in the Swedish market, but its market share varies across the country.

The renewable raw material from the forest is processed by customers. The saw-logs are the most valuable part of the tree. Other parts of the tree go to the pulp and paper industry while residual materials from forestry and from the forest industry are processed into biofuels, chemicals and innovative new materials and uses. The whole tree can be used for different purposes.

In the role of a sustainable supplier of forest raw materials, Sveaskog ensures that the company meets the requirements of its customers' customers – and contributes to a sustainable value chain. This is

based on close dialogue and cooperation with all stakeholders, not least the reindeer herders.

Efforts supporting a varied forestry aimed at achieving more objectives than just the highest rate of timber extraction have increased in parallel with efforts to strengthen the growth of Sveaskog's own forests and biodiversity. A carefully thought-out even-age forestry is part of that work and is the basis for our forestry. Continuous cover forestry can be an alternative in areas where there are values other than timber production to take into account – such as natural assets, recreational assets and other social assets. There are several different methods for performing continuous cover forestry, including selective felling, group selection and shelter-wood.



# The core business and product range



## Sawlogs

Sveaskog is an independent player in the timber market and offers a wide range of timber to meet customers' wishes. This involves different volumes, tree species, qualities and dimensions. Sveaskog delivers to more than half of all the major sawmills in Sweden. In order to meet the demand, Sveaskog supplements the timber from its own forest with externally purchased volumes when necessary. The trend is towards increased specialisation at the sawmills, which requires Sveaskog to continuously improve its delivery precision. Among other things, new digital technology is used to take stock of the forest so that the right product from the tree reaches the right customer. This requires good dialogue and cooperation not only with customers and Sveaskog's own internal working groups, but also with contractors and transport companies.



## Pulpwood

Sveaskog offers a wide range of fresh pulpwood and chips. Pulpwood is a product from the parts of the tree that are not used by the sawmills. Pulpwood results from both thinning and regeneration felling. Sveaskog also makes purchases from other forest owners, itself imports and buys chips from sawmill customers. Sveaskog has about 20 pulpwood customers who also buy wood chips. Customers manufacture pulp for the production of various types of paper and paperboard used mainly in packaging and hygiene products. Sveaskog has extensive experience of working with pulpwood and chip customers and in recent years the focus has been on developing logistics together with them.



## Biofuel

Sveaskog's biofuel consists of fuel wood and GROT (a product from felling consisting of branches and tree-tops that are otherwise left in the forest after felling). The natural degradation process releases the same amount of CO<sub>2</sub> that is released during a controlled combustion with heat extraction in a heating plant. Biofuel extraction is a natural part of sustainable forestry and takes place with great consideration to nature and culture, based, among other things, on the FSC certification. Because the material is voluminous, the biofuel market is primarily regional and local. Sveaskog has some 50 customers, mainly heating plants.



## Svenska Skogsplanter

The Svenska Skogsplanter business area is Sweden's leading producer of seedlings and grows approximately 130 million seedlings each year. In addition to seedlings, seed is produced and the business area offers regeneration services such as soil scarification, planting, protective treatments and growth controls. A well-executed regeneration with high-quality sapling material provides the conditions for productive and prosperous forests. In the past year, Svenska Skogsplanter has been a driving force in the planning and construction of the fourth round of seed cultivation and the development of improved seed materials. During the year, a new protective treatment for bare-root seedlings was also introduced against pine weevil infestations.

### TOTAL VOLUME SOLD, EXPRESSED IN A THOUSAND M<sup>3</sup>SUB





# Land and land use

Sveaskog's land is an asset that the company uses in several ways. In addition to forestry, this includes land concessions and developing the forest as a place for hunting, fishing, nature tourism and other nature experiences. Sveaskog shall contribute to Sweden's compliance with the climate and environmental objectives set by the Government.

## Productive forest holdings and current felling estimates

Sveaskog's total land holdings amount to approximately 4 million hectares, of which about 3 million hectares is productive forest land. The company carries out felling estimates at least every five years with a long-term duration of one hundred years, but the level of felling and its consequences are continuously evaluated.

The felling estimates are based on Sveaskog's total productive forest holdings, annual growth and the age structure in the company's forests. In 2023, the company reduced felling volumes, which affected the supply. Sveaskog is aware of the challenges this poses for customers and contractors and is evaluating various possibilities to reduce negative consequences. However, increasing the value in the forest, by keeping the forest for longer, will benefit the industry and the Swedish economy in the longer term. The age of the forest will increase in some geographies and the company is increasing the possibility in operating activities to select stocks for felling. This also provides increased opportunities

to balance all the interests associated with the business and the land holdings. Every regeneration felling, final thinning or construction of a new road begins with a conservation value assessment. It sets the framework for how the forest is to be used and how important conservation values can be identified to be preserved for the forests of the next generation. A good conservation value assessment is a cornerstone of sustainable forest management. Every year, 8,000 conservation value assessments are carried out on Sveaskog's land. These then form the basis for what forestry measures may be relevant; what should be harvested and when? What conservation values need to be captured? What type of soil scarification should be chosen?

In 2022, the felling estimate was adjusted down to make space to allow the forest to stand a little longer, to deal with the consequences of the mountain forest package and with reindeer husbandry in mind. This was a deliberate investment and stake on value-creating forestry that contributes to the ambition of being a leader in sustainable forestry.

At the beginning of 2023, we decided to further



reduce felling levels in Norrbotten due to the fact that the co-planning processes with the reindeer industry did not work out as planned. The adjustment means a reduction in the regeneration felling of 45 per cent in Norrbotten compared to the average of the alignment decision for the period 2023–2027. It is hoped that the original levels decided will again be reached during this period.

## Experiencing nature and nature tourism

Nature is an important resource for Swedish tourism and is of great significance to the image of Sweden. The country offers a diverse nature with everything from a magnificent mountain environment, teeming wetlands, streams and lakes, coasts and the sea to forests and farming landscapes. In addition to this, there is a rich diversity of plant and animal life. All of this is accessible to the public, thanks to the unique right of public access, and various forms of recreation and activities in nature are popular leisure

activities. Sveaskog contributes by developing the forest as a place for fishing, hunting, tourism and other nature experiences. Through Sveaskog's large holdings of land and water in Sweden, as well as collaboration with other state land managers, the company contributes to promoting nature tourism and recreation through land and water concessions to tourism entrepreneurs.

## Land-related business

Sveaskog is increasingly a forest owner that manages all the assets in the forest and land rather than just being a supplier of raw materials to industry. This creates opportunities for new business, including wind and solar power deals. Sveaskog wants to take an active role in the value chain of land-related business, with the ambition to secure resourcefulness and proactivity in order to benefit the forest operations.

## Solar power

There is a large and growing interest among companies in installing solar power parks on Sveaskog's land. In total, Sveaskog has signed 17 agreements for the design of solar power parks, 11 of which were signed in 2023 and six in 2021 and 2022. In Sveaskog's new strategic direction, a major focus is on changing the way these deals are done and Sveaskog will take a substantial step up in the value chain regarding, in particular, the solar power business.

In the autumn of 2023, cooperation agreements were started with strategic partners to develop

a number of new solar power parks where Sveaskog is also a part-owner. In these collaborative arrangements, Sveaskog will try different types of business forms and then evaluate which business model provides the best return and an acceptable level of risk.

Sveaskog's ambition is to produce as much electrical energy as the company uses as quickly as possible, which would mean a solar power park with a size of 15 hectares.



## Wind power

Sveaskog grants land concessions for wind power expansion, which leads to significant and increasing revenues from the land holdings while at the same time helping to achieve Sweden's environmental objectives. Today, 790 wind power stations are operating on Sveaskog's land. The owners range from investment funds and large energy companies to smaller companies, municipalities and wind power cooperatives. Sveaskog currently does not build or own any wind power stations of its own, but ensures that the management of potential wind projects is in accordance with the guidelines in the FSC. Wind power projects involve people and Sveaskog is careful that the wind power companies that are allowed to lease land understand the importance of both good dialogue and consultation with local residents. If the project is within the reindeer

husbandry area, Sveaskog requires the operator to conduct an active dialogue about the project with the affected Sami village.

The wind power stations on Sveaskog's land have a total installed power of 3,020 MW and a production of more than 8 TWh of electricity per year, which is nearly 5 per cent of the country's total production. Approximately 18 per cent of Sweden's total installed wind power is located on Sveaskog's land. Interest in running wind power projects and leasing land for wind power expansion continues to be high across the country. In 2023, 90 plants were commissioned and three new concession agreements were signed for the construction of 13 new wind power stations. At the end of the year, Sveaskog had approximately 40 concessions of rights of use for the project design of new wind farms.

## Hunting, fishing and nature tourism

### Hunting

Hunting has strong traditions and means a lot to many people throughout Sweden. As a forest and landowner, Sveaskog has an important role to play in balancing the various aims and interests of hunting. Sveaskog is a hunting rights holder on its land and grants concessions for part of this right to hunting teams, hunting clubs and wildlife conservation areas. More than 25,000 hunters hunt every year on Sveaskog land.

Hunting is the most important tool to keep the wildlife populations in balance with the food resources in the company's forests. Sveaskog's wildlife management aims to balance costs and benefits in the co-management of forests and wildlife. The numbers of cloven-hoof game must be adjusted to meet the long-term objectives for forest management and nature conservation.

During the year, Sveaskog continued to work on the introduction of personal hunting licences instead of previous hunting team concessions. Personal hunting licences are a tool to create a closer contact directly with the hunters and streamline administration. At the start of the hunting year, more than 10,000 of Sveaskog's total 25,000 hunters had obtained personal hunting licences. Sveaskog wants more young and more female hunters on the land. This can be achieved by offering discounts on the hunting right fee, training hunting and through collaboration with schools and hunting organisations.

During the year, Sveaskog developed its cooperation with the hunting organisations through in-depth and respectful dialogue both locally and nationally. Sveaskog has strengthened and further trained employees in hunting and fishing to take additional responsibility as a present forest and landowner.

### Fishing

Sveaskog's fishing licence gives people access to over 1,500 fishing waters across the country. Sveaskog wants to encourage more young people to start fishing and young people under the age of 20 fish for free in natural waters within Sveaskog's fishing licence areas.

Sveaskog is working towards the sustainable development of fishing and to protect fish habitats in order to preserve biodiversity. At Mörrum's Kronolaxfiske in Blekinge, leading fish conservation and research are carried out to preserve and develop the biological and ecological diversity of the Mörrum River. Mörrum's Kronolaxfiske is also a very popular destination.

### Ecoparks

Sveaskog's ecoparks are contiguous protected natural areas of high natural value. The ecoparks combine nature conservation and forestry and, unlike nature reserves, which are generally managed by a county administrative board, municipality or



foundation, the ecoparks are managed by Sveaskog, which voluntarily chose to protect the natural area.

The ecopark has a tailor-made management plan that is established in a formal 50-year agreement between the Swedish Forest Agency and Sveaskog. The plan sets out targets for different sub-areas as well as which areas are set aside for nature conservation and where Sveaskog conducts forestry.

In 2023, 20 years had passed since Sveaskog inaugurated its first ecopark. Today, visitors can enjoy magnificent and diverse nature in Sveaskog's

37 ecoparks throughout Sweden. All ecoparks are covered by the right of public access and are open to the public. In several of the ecoparks, there are areas with trails, paths and wind shelters, but also more untouched areas. The varying characters of the ecoparks provide places for everything from family picnics to solitary wilderness adventures – from the Maunuvaara Ecopark in the north, with a multitude of 500-year-old pines and pointed cliffs, to the Raslängen Ecopark in the south, with beautiful deciduous forests on the border between Blekinge and Skåne.



## Reindeer husbandry

Nearly 70 per cent of Sveaskog's total land is used jointly with the reindeer industry. Reindeer husbandry affects Sveaskog's operations and good relations with the Sami villages and Sami interests are of crucial importance for the whole of Sveaskog.

Sveaskog takes responsibility for the forest that the company is tasked with managing and works to create value in the forest by acting as a careful and reliable forest owner. The company strives for coexistence between reindeer husbandry and forestry so that both the reindeer industry and forestry are sustainable and viable industries in the short and long term. Sveaskog's image is that many forestry measures can take place without impacting the reindeer industry and that there are forestry measures that benefit the reindeer industry. Sveaskog is concerned about the increased polarisation in society between Sami interests and other interests.

### Legislation and certifications

Different laws and regulations affect the collaboration between Sveaskog and the reindeer industry. Sveaskog has ownership of land holdings and the Forestry Act regulates the obligations of forest owners towards reindeer husbandry. Reindeer husbandry entails a right of use in the reindeer husbandry area that is regulated under the Reindeer Husbandry Act. In addition, the obligation to hold joint consultations has a purpose other than discussing the rights of ownership and use. According

to the Forest Stewardship Council (FSC) certification system, Sveaskog and the Sami villages have a joint responsibility to seek solutions and the parties have a mutual responsibility to respect each other's perspectives and activities. Co-planning is offered to established Sami reindeer husbandry that is affected by management measures within the land holdings. Co-planning takes place for all regeneration felling, soil scarification and selection of tree species for reforestation in the area that Sveaskog and reindeer husbandry jointly use. Fertilization, road construction and burning are also covered by co-planning. At meetings, the focus is on the parties discussing adaptations that enable both forestry and reindeer husbandry. In recent years, Sveaskog has worked purposefully with a fresh approach in the discussions to secure Sveaskog's operations.

### Developments in 2023

In recent years, Sveaskog has worked to develop forestry in relation to reindeer husbandry, for example by adapting the forestry instructions and the forest management measures, carrying out clearing adapted to reindeer husbandry and promoting or improving opportunities for natural grazing, and



showing consideration of soil lichens and hanging lichens. Overall, however, progress in the dialogues has not been made at the desired pace and, in January, Sveaskog announced that the regeneration felling would be significantly reduced in Norrbotten as a result of the locked situation in the discussions with some Sami villages.

The ambition is that forestry should take place with mutual respect for each other's industries. The company therefore continues to develop the "toolbox" including adaptations of both felling and forest management measures in order to find local solutions together with the Sami villages. Increased internal knowledge of the reindeer industry and

daily inclusion of the reindeer industry perspective in the work in the affected land areas are important pieces of the puzzle in the company's work.

Sveaskog welcomes a constructive dialogue with all Sami villages and the fundamental approach is that all Sami villages should be treated based on the same criteria. During the year, the company continued to work towards improved relations with reindeer husbandry and to find agreements that mean that Sveaskog can continue to use the forests. The review of the overall work and the initiatives taken for in-depth dialogues have had some positive impact, but unfortunately challenges remain both in the short term and for long-term coexistence.

# Employees

Sveaskog wants to build an inclusive culture that promotes a sense of belonging, job satisfaction and community and that enables different perspectives and competences to come to their right. The ambition is that all employees understand the whole as well as their own assignment, and take responsibility for their part and actively contribute their skills and expertise.



At the turn of the year 2022–2023, Sveaskog carried out a major organisational change. For this reason, Sveaskog's HR work during the year largely focused on change management and team development. The ambition was to ensure that the change be both positive and clear to employees, and that the operational objectives behind the change are achieved.

## Skills supply

The skills supply is a strategically important issue for Sveaskog in order to secure the company's delivery capacity and operations. The company actively works to attract new employees and to secure the right skills for the future. As part of the large investments in sustainable forestry, new recruitments have been conducted for several different roles and positions. In addition, a large number of skills supply activities and trainings have been carried out to secure knowledge, learning and development for employees. Among other things, the course "Forest training for previously non-forest employees" was held. This course is for employees in Sveaskog who have no forestry training and provides basic knowledge about the forest, forestry and forest industries. In order to strengthen and make the company's managers feel secure in their roles, a management programme for new managers is offered among other training. The starting point for the programme is Sveaskog's principles of collegiality and leadership: We make each other better. Sveaskog also offers seminars and shorter leadership courses to make managers secure in an employer role.

## Trainee programmes and the Technology Leap

Sveaskog's trainee programme continues to attract a great deal of interest and many applications. This year's programme targeted young university graduates in IT, with the aim of providing a solid introduction to Sveaskog and the company's operations. The programme is aimed at recent graduates or those who have a few years of work experience and in August, four trainees started the eight-month programme.

## Diversity and inclusion

Sveaskog actively works for increased inclusion, gender equality and diversity. All employees should feel accepted and respected regardless of background, gender, age or other factors. In 2021 and 2022, employees completed an online training, the "Diversity Tool", with discussion and reflection exercises linked to all grounds for discrimination and the training has since been included as part of the introduction for new employees. Sveaskog also offers its contractors an online training in gender equality, diversity and inclusion. So far, more than 1,000 people who are not employed at Sveaskog have attended the training. The share of women with permanent employment in the operating activities (forestry positions) increased from 8 per cent in 2013 to 21 per cent in 2023. During the year, work began to overhaul the recruitment process to make it more inclusive, including training for managers. The collaboration with the company Mitt Liv, whose mentoring programme serves as a bridge between



the Swedish labour market and workers with a foreign background, continued in 2023.

### A safe and secure workplace

Safety and working environment issues are a high priority at Sveaskog. No one should get hurt or suffer ill health at work. In recent years, a new dimension of occupational safety and health risks has been added as a result of the fact that offices and work areas in the forest have been exposed to threats and intrusions by activists.

Sveaskog has therefore increased its resources in security and crisis work to establish a systematic approach, effectiveness and a comprehensive perspective of security and crisis work. The aim is to work with overall structures and working methods

linked to the systematic security work and crisis management in the organisation.

### Employee survey

In 2023, the employee survey “Fröet” [The Seed] was carried out. Its findings showed an improved result in many areas and especially in relation to the question “How likely is it that you would recommend your employer to a friend or acquaintance?” as part of the Employee Net Promoter Score (eNPS). It increased from -4 (2022) to 7 (2023). The comparative value for Sweden is 5. Health and workload, as in the past, belong to the lowest estimated areas. As part of the company's new HR strategy, the focus is on activities related to a sustainable working life and health.



# Customers

Sveaskog's core business is to manage and cultivate the forest and land holdings. The company delivers timber, pulpwood, wood chips, biofuel, seedlings and forest services to its customers. Sveaskog is experiencing a great deal of interest from innovative players in the green transition who want to use the sustainable production of green carbon atoms in the forests for new sustainable products, for example through hydrogen production from biomass.

Sveaskog's main product range consists of sawlogs, pulpwood and biofuel and wood chips. More than half of the wood raw materials come from Sveaskog's own forest, but the company also buys raw materials from other forest owners, including private individuals. Through Svenska Skogsplantor, Sveaskog is a significant supplier of seedlings, seeds and regeneration services, not least to smaller forest owners. The majority of the company's customers come from the forest industry and the Swedish energy sector. The Swedish forest industry is export-oriented and exports to markets across the world, although the European market is the most important. Paper, paperboard and pulp and wood products are traded on the global market. This means that changes in supply, demand and flows in the world markets affect the Swedish forestry industry.

In 2023, Sveaskog's customers experienced worsening market conditions as a result of a slowdown in the global economy. Despite worse times for the forest industry, interest in wood raw materials was high as the supply of timber decreased. The



imbalance in supply and demand entailed continued price increases. Biofuel is the product segment where market prices increased the fastest. The supply of Swedish wood raw materials has increased for several years, but in 2023 this trend was broken.

## Sawmills

The prices for Swedish sawn timber continued to fall during the year, but are at levels that were considered high a few years ago. The Swedish sawmills benefit from the weak currency in relation to their European colleagues. In Europe, several sawmills were forced to make production adjustments as demand for sawn timber declined. Swedish sawmills have not been forced to implement market adapted production restrictions in the same way. The construction industry, which is very important to sawn timber consumption, has been negatively impacted by high interest rates. This creates great concern for the short-term profitability of Swedish sawmills. In the longer term, the forecast for sawn timber remains positive, mainly driven by increased use of wood in climate-smart construction. Sveaskog's customers in the sawmill segment therefore anticipate increasing volumes in the long term due to increased demand from their customers.

## Pulp and paper industry

In 2023, prices of market pulp fell from record levels. The profitability of Sveaskog's paper and paperboard customers was subdued as a result of the

economic slowdown. The supply of wood raw materials continued to be scarce in much of Sweden, which affected the price of pulpwood in a positive direction despite a deterioration in the payment ability in the industry.

## The biofuel market

The market for forest biofuel, such as branches and tree tops (GROT), is mainly regional and local since the transport costs are high and the production costs are low. The forest biofuel market is significant in southern and central Sweden, but is more limited in northern Sweden. The customers for Sveaskog's biofuels are power and heating plants as well as the energy-producing forest industry. The energy situation in Europe for 2023 impacted the biofuel market with rising prices and new trade patterns. Sveaskog notices a very strong interest in biofuel deliveries among both new and old customers.

## New value chains

Sveaskog is experiencing great interest from what the company calls new value chains. These are a different kind of operators, but with a common interest in being innovative in the green transition. These actors want to use the green carbon atoms found in the forests for sustainable production of, for example, hydrogen, aviation fuel and steel based on biomass. For these new value chains, Sveaskog is a very interesting and important partner as the company can offer an efficient flow with traceability from sustainably used forests.



# Contractors

Collaboration with skilled contractors is a prerequisite for Sveaskog to be able to sustainably manage forests and handle the deliveries to the customers. Sveaskog engages contractors for thinning, felling and forest management and the construction of roads and transport of the raw materials.

The majority of the work of felling, forest management and transport is carried out by around 300 contractors spread across the country. Before a company is engaged, extensive checks are made to ensure that it has the prerequisites to be able to carry out the assignment and meet the requirements of both Sveaskog and the public sector. Contractors must always comply with the labour market rules in Sweden and, as a minimum, comply with the current collective agreement. Contractors procured with contracts must all have collective agreements. These requirements apply regardless of the employee's country of origin and background.

## Simplifying the contractors' daily work

Recent years have been particularly challenging for many contractors as a result of the pandemic, Russia's invasion of Ukraine, product shortages, long delivery times, large cost increases and downtime as a result of the risk of fire and labour challenges. Sveaskog therefore continuously tries to improve and simplify the daily work of contractors through the introduction of measures such as financial security in case of lost driving shifts due to fire

risk and assumption of the responsibility for damage in the event of a fire. For many years, Sveaskog has also taken over the contractors' business risk linked to price increases on diesel so that the contractors do not suffer from price increases. A fuel clause in the contractor agreement reflects the current diesel price and current tax legislation.

Sveaskog offers recruitment support for the training new machine drivers and training in systematic work environment management. The company's contractors also have access to support, advice and communication via the contractor portal Entrén. In order to offer the entrepreneurs market-based financing that takes into account their situation and conditions in connection with expensive investments or the start-up of new operations, Sveaskog has also created the finance company Sveaskog Finans AB.

## Good and secure working conditions

Sveaskog requires that the people working at the contractors, both permanent employees and Swedish and foreign seasonal workers, have good and secure working conditions. Sveaskog's purchasers are continuously trained in how they can check this in



the best possible way. The company does not always hire the contractor that offers the lowest price. Before a contract is signed, a "service declaration" is also sent to the contractor that he or she must read and sign before any work can be done. The service declaration is also sent to the Forest,

Wood and Graphics Trade Union (GS) with the following dialogue. In order to ensure fair and secure terms of employment in the forest, Sveaskog and GS conduct follow-ups in the field at contracted contractors.

# Partnerships, cooperation and dialogue

Sveaskog's strategic move towards increased sustainable returns and developed ecological value places demands on a broadened dialogue. In addition to developed business relationships with customers and contractors, collaborative efforts are carried out with, for example, technology and research companies and with stakeholder groups on issues of common interest.

## Partnerships

### Professorship for the forestry of the future

As more and more value emerges in the forest, interdisciplinary methods are needed to study issues that are of interest to society. New knowledge is important for Sveaskog's development, training and supply of skills. Sveaskog has therefore decided to support the Swedish University of Agricultural Sciences (SLU) with a "Forestry of the future" professorship and a post doc on the effects of conservation burning. In parallel, SLU is contributing a doctoral student position.

### Part-owner of Nordic Forestry Automation

Sveaskog has become a part-owner of the AI company Nordic Forestry Automation (NFA). The company is developing the next generation of driver support for forest machinery based on sensor technology from autonomous vehicles and AI

algorithms. The investment was made together with Södra Ädla and Almi Invest Syd and comprised a total of MSEK 10.

### Process for the production of fossil-free sponge iron

Together with KTH, Chalmers, Ovako and others, Sveaskog is part of the company FerroSilva's development of a new process for the production of fossil-free sponge iron using forest residues that can replace iron ore pellets. According to FerroSilva, the method requires less than one-tenth of the electricity consumed by the hydrogen alternatives, such as Hybrit.

### Mistra Digital Forest received continued funding

Together with several organisations such as the Swedish Forest Industries Association, the Swedish Agricultural University (SLU), Holmen, SCA, Stora Enso and Södra, Svea is part of Mistra Digital



Forest. This research programme works on the possibilities of digitalisation to promote sustainable forestry and will intensify the work on implementing the research results in the forest sector. During the year, the programme was awarded MSEK 64 for a second research phase of four years concerning sustainable bioeconomy.

### Sveaskog sponsors the Swedish Biathlon Federation

Sveaskog has started a long-term collaboration with the Swedish Biathlon Federation focused on children and young people to promote regrowth in Swedish biathlon. The collaboration extends over four seasons, to the end of 2027.

## Technology collaboration

### Investment in Airforestry

Since 2021, Sveaskog has collaborated with Airforestry and, among other things, has granted a land concession for testing. During the year, an off-take agreement was entered into with the goal of Sveaskog thinning with Airforestry's drones for seven years, from 2028 to 2035.

The expected result is thinning without ground contact by flying each tree out to sites for marking for cross-cutting. This eliminates the need for strip roads and the occurrence of driving damage in the forest. The system is completely electric, so the CO<sub>2</sub> impact is minimal.

A further advantage is that the trees remaining after thinning will be more resistant to storms, insect infestations and fungal diseases due to less impact than in traditional thinning.



### ViaTres provides a digital link to the contractors

Since 2012, Sveaskog has used the VFS road management system from Triona for planning road measures. During the year, the ViaTres project was launched to supplement the system with a digital link to the contractors. Both Sveaskog and the road contractors gain several advantages with a digitalised working method.

### Pilot projects in clearing planning

During the year, Sveaskog and the innovation company SkyForest AB conducted a pilot project with 5,000 hectares of clearing planning in Södra Norrland. Sky-Forest's drone technology helps to provide an overview and to make an easily-interpreted analysis of the forest.

### Cooperation on drone automation after the storm Hans

Sveaskog has started a collaboration with Global Forester on drone automation in the windthrows in Västerbotten. Satellite and drone images provide an overview without the employees having to go around in the storm area and being exposed to unnecessary risks.

### Sveaskog a part of IUFRO24

Sveaskog contributes SEK 1 million to the IUFRO24 World Congress, which will be held in Stockholm in the summer of 2024. Together with SLU and Mistra Digital Forest, an excursion is planned on the theme of digitalisation for

sustainable forestry on Sveaskog's land in Sjunda outside Södertälje.

### New generation of the forest management portal

The forest management portal is being developed and the next generation, SVP2.0, is being developed. Contractors and employees in the field will thereby receive even better mobile and offline-adapted support. In SVP2.0, you can zoom in on your work order map, select different information and map layers, get easy support for sample plots and submit final reports in the field.

### Digitisation of conservation value assessments

In the spring, a web application was launched to perform conservation value assessments. In the app, the user is guided through a controlled flow to ensure that the conservation value assessments capture all relevant data. This is the start of a new development of Sveaskog's forest register. Data capture is a key to ensure forestry in accordance with the FSC standard and the Swedish Forest Agency's judgments.

### Sveaskog participates in projects focusing on electrification of forestry road transport

Sveaskog, together with several forest companies, transport companies, technology companies, research actors and Vinnova, is investing MSEK 155 in the TREE project (Transition to efficient, electrified forestry transport) to electrify forestry transport. The project is being coordinated by the Forestry Research Institute of Sweden (Skogsforsk) and



aims to ensure that 50 per cent of the new trucks purchased by forestry are electrified by 2030. Sveaskog's participation is taking place within the framework of the large investment the company is making in the area of electrification and means, among other things, that the company will have one of the first forest-equipped electric trucks with a crane in Sweden.

### Hauling optimisation

Sveaskog is developing its planning tool in the field with the hauling optimisation tool Timbertrail from the IT provider Creative Optimization. The system creates an optimised hauling proposal that is auto-

matically visualised in the digital area directive and takes into account topography and soil moisture.

### The gentle forwarder Centipede

The project with the concept machine Centipede is continuing and Sveaskog has carried out tests with the machine in its forests during the year. Centipede – with its revolutionary technology and unique track system – combines gentleness with increased productivity and an improved driver environment. The collaborative project has been ongoing since 2019 together with Komatsu Forest and eight Swedish forest companies.

# Strategy and targets for sustainable value creation

- [Strategic targets for sustainable value creation](#) →
- [Sveaskog's financial targets](#) →
- [Green bond framework](#) →
- [Biodiversity](#) →
- [Sustainable forestry programme](#) →
- [Climate impact in forest and value chain](#) →
- [Stakeholders](#) →
- [Materiality analysis](#) →



# Strategic targets for sustainable value creation

Sveaskog's operations and strategic targets for sustainable value creation contribute to the 17 global sustainable development goals of the UN 2030 Agenda and Sweden's national environmental objectives.

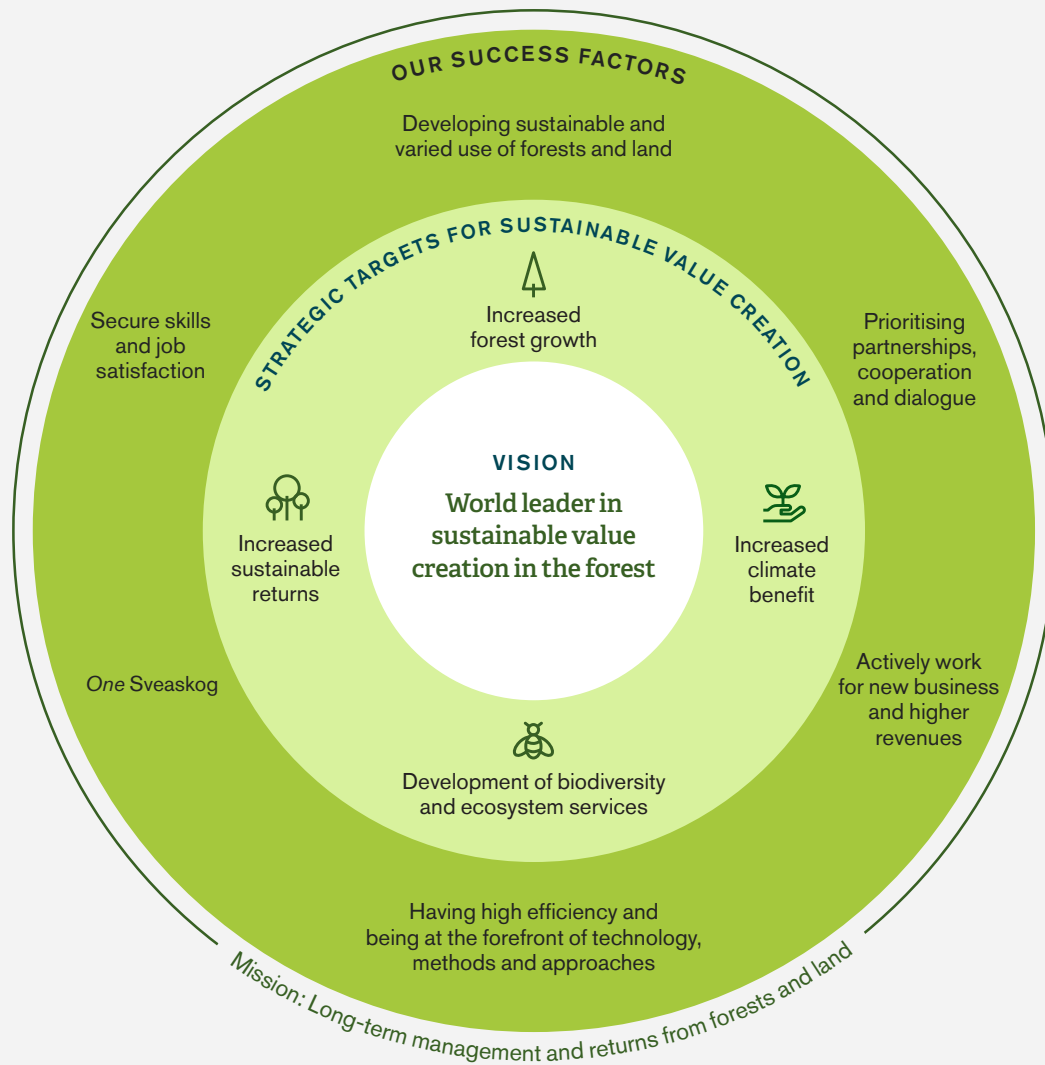
In 2023, Sveaskog carried out strategy work that resulted in an updated strategy and a business plan for the period 2024 to 2028. During the year, Sveaskog's vision, to be the world leader in sustainable value creation in the forest, was also established. The way to the vision has been broken down into four strategic targets for sustainable value creation: Increased forest growth, Increased climate benefits, Development of biodiversity and ecosystem services and Increased sustainable returns.

Sveaskog has identified six success factors as necessary to achieve the strategic targets. The model at right illustrates the strategy and the success factors that apply from 2024.

On pages 38–39, Sveaskog presents the follow-up of the six success factors that applied until 2023.

Sveaskog's programme for sustainable forestry is presented in more detail on pages 34–37.

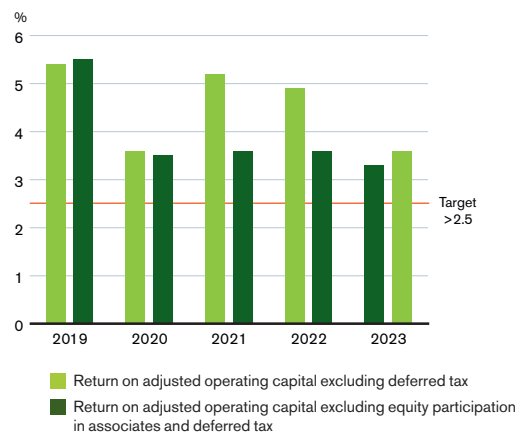
Sveaskog actively works to contribute to the 2030 Agenda and has mapped the goals and milestones where the company can do so in the most relevant way. The presentation of Sveaskog's contribution to the global goals and Sweden's environmental quality objectives is provided under objectives and outcomes and under the programme for sustainable forestry.



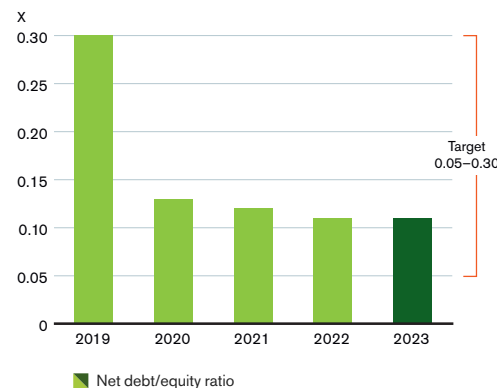
# Sveaskog's financial targets

Sveaskog's financial targets are normally revised every few years or in connection with internal or external changes that have a significant impact on the company. The current financial targets were chosen at an Extraordinary General Meeting in August 2022. The financial targets mean that the net debt/equity ratio shall amount to 0.05-0.3 times and that the return on adjusted operating capital over time shall amount to at least 2.5 per cent with, and without, associates respectively. Ordinary dividends shall amount to between 70 and 100 per cent of the Group's profit after tax, excluding non-cash changes in value of standing timber and profit participation from associates. 100 per cent of the dividends received by the company in the previous year from the associates is in addition to this.

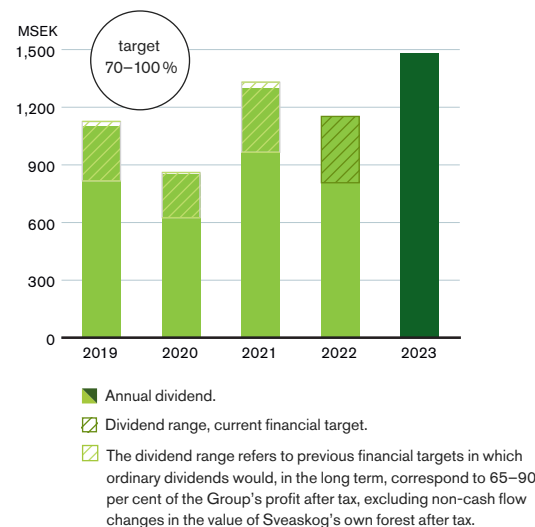
RETURN ON ADJUSTED OPERATING CAPITAL, ROLLING



NET DEBT/EQUITY RATIO



CASH DIVIDEND



RETURN ON ADJUSTED OPERATING CAPITAL 2023<sup>1)</sup>

## 3.3%

<sup>1)</sup> excluding deferred tax

RETURN ON ADJUSTED OPERATING CAPITAL 2023<sup>2)</sup>

## 3.6%

<sup>2)</sup> excluding deferred tax and equity participation in associates 2023

NET DEBT/EQUITY RATIO 2023

## 0.11 times

CONTANT DIVIDEND 2023<sup>3)</sup>

## MSEK 1,481

<sup>3)</sup> outcome for 2022 100%



# Green bond framework

Sveaskog was the first forest company in the EU to introduce a new green framework for bonds in accordance with the EU taxonomy for sustainable finance. This creates better conditions based on an EU perspective for new green investments in the forest and strengthens the company's competitiveness.

In order to achieve the EU's climate targets and the objectives of the green deal, investment needs to be directed more towards sustainable projects and activities. A prerequisite for this is that investors, companies and decision-makers can identify and compare investments based on common definitions of what is sustainable.

The establishment of a classification system for environmentally sustainable activities, a so-called green taxonomy, is therefore a measure within the framework of the EU's action plan for financing sustainable growth. Sveaskog established its first green framework in 2017 and set the standard for green bond financing of forestry.

## Framework in line with EU taxonomy

In 2023, Sveaskog updated their green bond framework. Through the update, Sveaskog wants to harmonise its FSC-adapted forestry and involvement in development and innovation with the ambitions of the EU taxonomy. In purely

practical terms, this means that the capital from the green bonds will finance, or partially or wholly refinance, investments and expenses that Sveaskog has for sustainable forestry adapted to actively contribute to achieving the Swedish environmental quality objectives, the Paris Agreement and the EU's climate targets.

Third parties have assessed that the green framework for sustainable investments is in line with the EU taxonomy and thus the company is the first forest company in Europe with a financial green bond framework compatible with the EU taxonomy. The new framework thereby takes into account the EU's proposed standard for green bonds.

This work has been done in collaboration with Danske Bank and to ensure quality, a third party verification from CICERO Shades of Green has been done. The outcome of the third party assessment is the scale's highest rating, "Dark Green", and the rating of corporate governance as "Excellent".





# Biodiversity

The concept of biodiversity involves more than just species richness and includes genetic variation as well as a diversity of ecosystems and ecosystem services.

In Sweden, we currently have about 65,000 different species of plants, fungi and animals, as well as single-celled organisms. About half require forest or trees for their survival and reproduction.

Sveaskog's work on biodiversity includes both preventive protection work and the re-creation of ecosystems to develop biodiversity at the ecosystem level.

## What are ecosystems?

Simply put, ecosystems are different types of nature, such as forests, wetlands or grazing meadows. By re-creating ecosystems such as deciduous forests, wetlands and flowing streams, biodiversity is developed at the ecosystem level. This means in the long term that the species that use the re-created natural environments can move in, which over time increases biodiversity even at the species level.

## Re-creation of natural environments

Re-creation of different natural environments is called biological restoration or nature conservation measures. Re-creating ecosystems and natural environments not only provides space for species but also generates a variety of so-called ecosystem services. A good example of this is the re-creation of



wetlands. This re-creation results in the water being kept in the landscape longer, making the landscape better equipped against forest fire, providing better water treatment and reducing the risk of major flooding in heavy rain. Furthermore, wetlands lead to increased biodiversity as well as, performed in the right way and in the right place, reduced amounts of greenhouse gases.







NUMBER OF ECOPARKS

AREA ECOPARKS, HECTARES

PERCENTAGE OF PRODUCTIVE FOREST  
LAND EXCLUDED FROM FORESTRY

37

174,000

16%

### Sveaskog's work on biodiversity

Sveaskog's biodiversity efforts focus on three groups of forest-dwelling species as described below. The work on ecoparks, nature conservation forests and consideration in production forests complement each other and form a whole that creates space for many different species to exist in the forests.

### The least demanding species

The first group of species are the least demanding. This may be species that need a high stump of pine or aspen, an old oak tree or a lying dead pine, a burnt pine stump or a burnt birch. A common feature of these species is that the surrounding environment where, for example, the high stump stands is of minor importance.

With regard to this group of species, what is termed general or enhanced consideration is provided in connection with the felling of forests that are cultivated. Today, Sveaskog has about 2.5 million hectares of forests that are or will be cultivated and on average 15 per cent of the cultivated forest area is currently left annually as some type of consideration. This consideration consists of smaller areas in the form of edge zones, rocky sections with older or dead trees, forest groups or tree groups. Individual trees and all dead wood, whether standing or lying down, are also left. Another reason for providing consideration is to increase the ecological quality and variety of the new, growing forest.

### Species with high standards

The second group of species, such as many lichens, places high demands on the surrounding environment in the form of a certain type of forest environment. Often the species depend on the microclimate, such as high humidity or low sunlight penetration.

In consideration of these species, whole cultivated forests can be left untouched and left in their entirety as so-called conservation forest. Before a forest is thinned for the last time or has reached the age to be harvested, a conservation value assessment of the forest is always made. If the conservation value assessment indicates high natural value, the forest is excluded from forestry. Today, Sveaskog has set aside approximately 500,000 hectares of nature conservation forests, which corresponds to more than 16 per cent of the total productive forest land holdings.

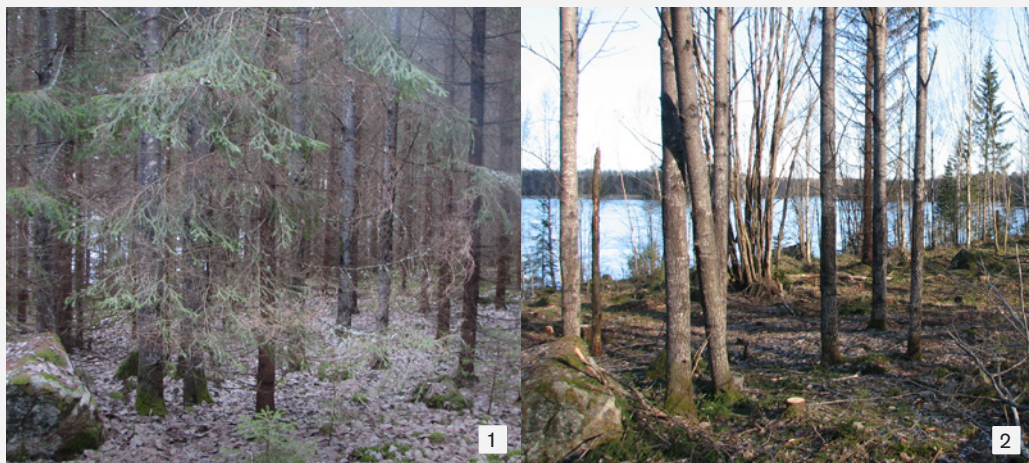
### The most demanding species

The third group of species, including, for example, smaller woodpeckers and white-backed woodpeckers, are fewer in number but these species are the most demanding. The quality that these species need, such as dying branches of deciduous trees, must be distributed over a whole section of landscape, often covering several hundred hectares.

For this group of species, Sveaskog has been working with ecoparks for twenty years. In total, the 37 ecoparks comprise an area of 174,000 hectares of which approximately 110,000 are set aside as nature conservation forests.

# Re-creating natural environments – biological restoration

Re-creating different natural environments is called biological restoration or nature conservation measures. Here are some examples of nature conservation measures implemented by Sveaskog on its land.



## Remove displaced spruce

Nature conservation measures can involve removing displaced spruce that will otherwise in the long term replace the aspen forest that is ecologically valuable in that it benefits endangered and red-listed bird species, lichens and mosses.

1. Spruce planting before measure

2. Aspen stock visible after measure



## Controlled nature conservation burning

Another option is to perform a controlled nature conservation burning which creates qualities that benefit species from all species groups.



## Damming

Water can also be used for nature conservation by filling in previously dug ditches and thus forming smaller or larger wetlands or forested waters.



# Sustainable forestry programme

Sveaskog's operations and strategic targets for sustainable value creation contribute to both the 17 global sustainable development goals of the UN 2030 Agenda and Sweden's national environmental and climate objectives. Sveaskog's long-term focus, which extends to 2050, combines high and safe timber delivery with efforts to increase biodiversity. Sveaskog's programme for sustainable forestry is a support in that work.

The objectives of the programme cover measures in three different parts of the forest landscape: Managed forests, Water in the forest and High conservation value forest. Follow-up takes place on a quarterly basis and during 2023 Sveaskog made targeted efforts to reach the highly set targets for 2027.



## The managed forests

In the managed forest used, Sveaskog will work systematically and on a large scale for increased consideration and investigate how a limitation of the size of clearings can be done in order to best contribute to the establishment of a green infrastructure.



## The water in the forest

In the coming years, Sveaskog will restore wetlands and restore continuous running watercourses. This will have a major impact on species that need running water and contribute to strengthening the forest land's ecosystems, while helping to bind carbon into the ground and combat the effects of climate change.



## High conservation value forests

In Sveaskog's high conservation value forests, there is to be a special focus on deciduous and valuable hardwood forests, of which there is a major shortage. Sveaskog is now more than doubling its efforts to restore good ecological structures and living conditions.



## The managed forests

### 1. Optimal seedling choice for a changing climate

When planting new seedlings, Sveaskog chooses plants with specially developed properties that are optimal for the location and well adapted to the climate of today and the future and that thus have greater resistance to various attacks. Sveaskog plans for a ten per cent deciduous element in the coniferous forest and is increasing the planting of pure deciduous forests. This increases the ecological values of the managed land at the same time.

Measure	Target 2023	Outcome 2023	Target 2027
Cultivation profit from planted seedlings (%)	13.6	14.9	14.8
Area of cuttings planted (hectares/year)	3	1	600
Planted fourth-generation spruce and pine plantations (number/year)	0.5	0.5	3
Birch, planted annual area (hectares/year)	226	199	760
Siberian larch, planted annual area (hectares/year)	107	77	410

### 2. New programme for ecological functional consideration

Ecological values are created through nature conservation in consideration areas in the production forests, during which Sveaskog's production forests also become more ecologically interesting. For example, more dead wood, both lying and standing, could be created, and trees could be damaged to attract fungi.

### 3. Continuous cover forestry in the most visited ecoparks

Sveaskog is switching to continuous cover forestry, e.g. mosaic or selection cutting, in the managed parts of the five most public ecoparks: Omberg, Böda, Raslångan, Halle-Hunneberg and Hornslandet. This supplements the four pilot areas that Sveaskog already has.



### 4. Limitation of clear fellings based on landscape impact

Sveaskog is investigating how limiting the scope of clear-felled areas, in addition to the criteria that Sveaskog currently observes within the framework of the FSC certification, can be done to best contribute to the establishment of a green infrastructure and increase the landscape value.

### 5. Initiative for a better coexistence with reindeer husbandry

Sveaskog endeavours to ensure functioning multiple-use forestry. In order to better coordinate the overall planning for forestry in co-existence with reindeer grazing, Sveaskog wants to establish joint landscape planning in dialogue with reindeer husbandry. The new integrated process involves early and joint action planning. To facilitate the integrated planning processes, measures such as a digital tool, samplanering, se, and a programme offering reimbursement of costs for participation in consultations and integrated planning have been developed.

### 6. More clearing and thinning in the reindeer herding areas

Throughout Northern Sweden, where Sveaskog coexists with reindeer herding, Sveaskog will carefully clean and thin to benefit ground lichens, which are the reindeer's primary food source. These efforts must take into account the wishes of the Sámi villages in order to have a good effect.

Measure	Target 2023	Outcome 2023	Target 2027
Actioned extended area of clearing per year (hectares)	3,310	2,122	5,100
Actioned extended area of thinning per year (hectares)	722	933	1,200

#### 2030 Agenda



#### Sweden's environmental quality targets



Goal 1: Reduced Climate Impact  
Goal 12: Sustainable Forests





## The water in the forest

### 7. Wetland programme with 100 new wetlands

Sveaskog is increasing the number of restored wetlands from around four to at least 20 per year, with half covering an area of more than two hectares. Wetlands are powerful carbon sinks, which means that the restoration work is effective climate action. This is also important for biodiversity and to control the speed of water moving through the landscape.

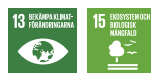
Measure	Target 2023	Outcome 2023	Target 2027
Number of wetlands restored (annual outcome)	25	46	20
Number of restored wetlands (acc. from 2021)	60	81	144

### 8. Restore ten running watercourses

The clearing of streams, rivers and creeks for log-floating or power extraction has had a major negative impact on the ecological values of the waters. In collaboration with county administrative boards and local associations, Sveaskog has selected ten particularly valuable water systems that have been carefully restored.

Measure	Target 2023	Outcome 2023	Target 2027
Number of completed watercourses (acc. from 2021)	2	3	12
Number of ongoing watercourses	8	8	3

#### 2030 Agenda



#### Sweden's environmental quality targets



Goal 1: Reduced Climate Impact

Goal 8: Flourishing Lakes and Streams

Goal 11: Thriving Wetlands

Goal 14: A Magnificent Mountain Landscape

Goal 16: A Rich Diversity of Plant and Animal Life





## High conservation value forests

### 9. Harmonisation with national targets and EU goals

Sveaskog will contribute to national environmental targets and the EU's biodiversity strategy 30/10, where 30 per cent of land is protected in a broad sense, and 10 per cent of this is under strict protection. Regarding the ten per cent with strict protection, in Sveaskog's case it is about increasing the amount of formal set-asides that Sveaskog owns, i.e. more nature reserves or an increased amount of high conservation value forests covered by ecopark agreements.

Measure	Target 2023	Outcome 2023	Target 2027
10% formal set-asides (acc.)	8	8	10
Formal set-asides in hectares (acc.)	40,000	48,000	100,000

### 10. Extended nature conservation programme

Sveaskog is increasing the annual area of nature conservation (NC) from about 1,000 to 3,000 hectares.

The measures referred to range from felling conifers to benefit deciduous trees in older forests, clearing/thinning in younger forests, and flooding or burning forests, to selective measures such as creating more dead wood or sunlit edges.

Measure	Target 2023	Outcome 2023	Target 2027
Performed NC (hectares)	1,305	1,020	2,150
Area bank NC (hectares)	1,705	2,169	3,030

### 11. Increased investment in deciduous forests

In the high conservation value forests, Sveaskog will focus on promoting deciduous and valuable hardwood forests, of which there is currently a great shortage and which many forest-dwelling species need. Sveaskog is more than doubling its efforts to restore good ecological structures and living conditions. The outcome of 2023 was zero. This is due to the paused project Whiteback, as well as Hornslandet being one of the ecoparks being investigated to possibly become a national park.

Measure	Target 2023	Outcome 2023	Target 2027
Extended area of set aside production forest (hectares)	1,000	0	750

### 12. Continuity forests in northwestern Sweden

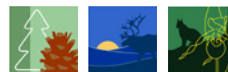
In northwest Sweden, Sveaskog plans, by 2026, to protect all identified continuity forests that are over 140 years old, corresponding to approx. 14,000 hectares, which are not already included in the company's high conservation value forests. This is an addition to what is already set aside and will be set aside thanks to high conservation values.

Measure	Target 2023:	Outcome 2023	Target 2027
Area set aside	5,000	4,500	14,000

#### 2030 Agenda



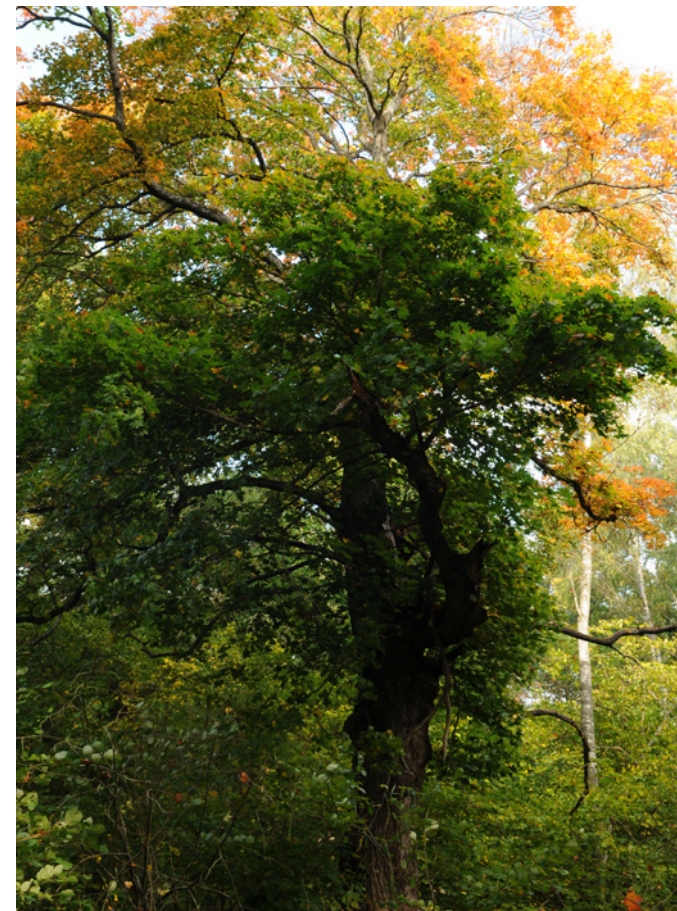
#### Sweden's environmental quality targets



Goal 11: Thriving Wetlands

Goal 14: A Magnificent Mountain Landscape

Goal 16: A Rich Diversity of Plant and Animal Life





# Targets and outcomes

Success factors up to 2023

## Strong partnerships and collaborations

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027
Satisfied customers	Customer satisfaction index sawmill customers	74	75	Not measured <sup>1)</sup>	75
	Customer satisfaction index pulpwood customers	58	70	Not measured <sup>1)</sup>	70
	Customer satisfaction index biofuel customers	73	70	Not measured <sup>1)</sup>	70
	Supplier satisfaction index	69	70	Not measured <sup>1)</sup>	70
Satisfied suppliers	Supplier satisfaction index	69	70	Not measured <sup>1)</sup>	70
Satisfied contractors	Contractor satisfaction index	76	75	Not measured <sup>1)</sup>	75

## Investments in forests and forestry

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027
Optimal plant choice <sup>2)</sup>	Cultivation profit, planted seedlings, %	14.0	13.6	14.9	14.8
Increase in new tree species, larch and birch	Planted area, hectares/year	284	333	276	1,170
More clearing in reindeer herding area	More clearing, hectares/year	2,479	3,310	2,917	5,100

## Efficient and considerate delivery

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027
Efficient delivery	Logistics index	87	90	85	95
Considerate delivery	Proportion of 68-tonne transport operations	44	42	52	60
Reduced CO <sub>2</sub> emissions across the whole value chain <sup>3)</sup>	Emissions %, compared to 2020	15	12	14	30

Historical outcome for the indicators where there is history can be found in the sustainability notes.

<sup>1)</sup> Measurement is done every two years.

<sup>2)</sup> By choosing plants with specially developed properties, optimal for the site and adapted to the climate of today and the future, Sveaskog can increase growth and future timber extraction.

<sup>3)</sup> Science based target is under development, read more on page 53.

The right raw material shall be delivered to the right customer and waste shall be minimised throughout the process, from the forest to the end customer. By maintaining a holistic view of the value chain together with our customers,

we can acquire better base data for decisions on flow management and planning in order to minimise value losses and strengthen our shared value chains. We see great opportunities in digitalisation in this area.

### 2030 Agenda



### Sweden's environmental quality targets



15. A Good Built Environment

Planting shall take place with the best available cultivated seed material, where we make sure that we optimise

### 2030 Agenda



### Sweden's environmental quality targets



01. Reduced Climate Impact  
12. Sustainable Forests

Sustainable management and efficient use of natural resources. The right raw material shall be delivered to the right customer and waste shall be minimised

throughout the process, from the forest to the end customer. We also see great opportunities in digitalisation in this area.

### 2030 Agenda



### Sweden's environmental quality targets



01. Reduced Climate Impact  
15. A Good Built Environment

## Increased ecological values of land holdings

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027:
Environmental values are achieved in forestry without major impact	Environmental consideration index	96	99	97	99
100 new wetlands by 2026	New wetlands/year	11	25	46	20

Sveaskog is now increasing its nature conservation measures for both consideration areas left and in connection with certain tree-bearing impediments. This enhances the natural value qualities of all forest land and benefits bio-

diversity. Sveaskog is also stepping up its efforts for other kinds of land than forest land, primarily wetlands. Wetland restoration measures bring major conservation benefits, and they can often also create increased climate benefit.

### 2030 Agenda



### Sweden's environmental quality targets



- 08. Flourishing Lakes and Streams
- 11. Thriving Wetlands
- 14. A Magnificent Mountain Landscape
- 16. A Rich Diversity of Plant and Animal Life.

## A strong corporate culture

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027
Having good leadership	Leadership index <sup>4)</sup>	4.1	>4.0	4.1	4.2
and committed employees	Commitment <sup>4)</sup>	3.8	>3.9	3.9	4.2
Proportion of women	Proportion of employees, %	27.3	>31	30.7	36
Proportion of employees with foreign background	Proportion of employees, %	6.9	>8.5	6.9	>10

With increased gender equality, diversity and the right of inclusion for all, the recruitment base and the skill supply of the future are being broadened. By actively contributing

with their own knowledge, every single employee can influence Sveaskog's success and development.

### 2030 Agenda



## Acceptance of and confidence in our forestry

Indicator	Measurement	Outcome 2022	Target 2023	Outcome 2023	Target 2027
Acceptance of our forestry	Brand index <sup>5)</sup>	57	59	56	65
Acceptance of our forestry	Reputation index <sup>6)</sup>	26	45	30	65

The measures within the other success factors result in increased acceptance of and confidence in our forestry. Sveaskog will describe more clearly how the company

operates a sustainable forestry business and contributes to both the 2030 Agenda goals and national environmental and climate targets.

### 2030 Agenda



Historical outcome for the indicators where there is history can be found in the sustainability notes.

<sup>4)</sup> Based on the results of the annual employee survey.

<sup>5)</sup> Brand tracker, Whispr.

<sup>6)</sup> Reputation index, Verian, formerly Kantar Public.



# Climate impact in forest and value chain

The forest has a significant role in the climate transition as it both absorbs carbon dioxide and binds carbon. In this way, the forest is a key in the work to limit climate change.

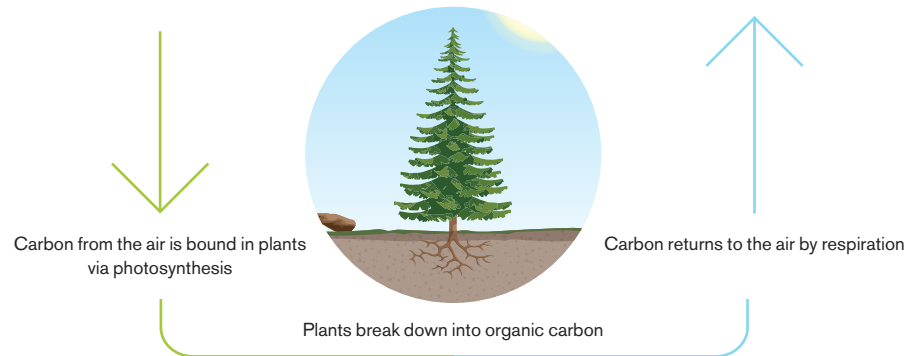
Sveaskog's land holdings contribute to climate benefits through net carbon storage, both directly in the forest and indirectly through long-term products made from timber from Sveaskog's land. In addition, wood-based products – both long-lived and short-lived – can lead to reduced use of fossil energy and fossil materials, which also helps to reduce the climate impact of society. The calculation of Sveaskog's carbon capture is based on the annual national reporting that the Swedish Environmental Protection Agency compiles for the UNFCCC in the Swedish National Inventory Report. The national method, which follows the IPCC guidelines for national reporting, is well established and, due to the size and spread of Sveaskog's holdings, can be considered representative.

During the year, Sveaskog has made minor adjustments to the method to align this with the upcoming Land Sector and Removals Guidance from Greenhouse Gas Protocol. The living biomass that is harvested and whose carbon thus leaves the forest is also reported by the Swedish Environmental Protection Agency as a "pool" under

the name Harvested Wood Products (HWP). On a national level, it is relevant to estimate the temporarily bound carbon in sawn timber using statistics on timber flows and product life, as it has a significant impact on the carbon balance of the atmosphere for a limited period of time. However, in order for a company to claim the carbon that remains bound in sawn timber, greater specific knowledge of end-use and lifetime of the products is required to ensure the durability of the carbon storage. Sveaskog has therefore chosen to exclude this temporary carbon stock from the the calculations of the climate benefit.

The climate benefits that arise when wood-based products are used instead of products that have a higher emission in connection with production, such as cement, are not included in Sveaskog's operations and are therefore not reported. However, it is important to note that Sveaskog's production of timber provides a major contribution on the way to a fossil-free society through the company's customers' operations and the use of wood-based products and bioenergy. The impact of the benefit depends on how effectively the wood raw material is used in the

## Uptake and emissions of carbon dioxide in the forest



## Sveaskog's carbon storage for 2023

### Storage in live biomass

**-8.28** million tonnes of CO<sub>2</sub>e

Net sink in living biomass

### Storage in dead wood and land

**-1.51** million tonnes of CO<sub>2</sub>e

Increased storage of carbon in dead wood and land.

### Total storage

**-9.79** million tonnes of CO<sub>2</sub>e

For more information see Note H7 page 124.

value chain through sawn timber, fibre products and bioenergy, all of which contribute to reducing the need for fossil energy and fossil-based materials.

### Climate targets

In 2021, Sveaskog decided to set a scientific climate target according to the Science Based Targets initiative (SBTi). SBTi launched a new sector standard for companies in land-intensive sectors in 2022: Forest, Land and Agriculture (FLAG). The new forest sector standard has not yet been established. Sveaskog is ready to set its target, which in accordance with this standard includes both emissions from land use and carbon storage. Climate work is not standing still pending SBTi FLAG; Sveaskog decided in connection with the new strategy to set a climate target of 60 per cent reduced anthropogenic emissions throughout the value chain from 2022 to 2034.

### Sveaskog's emissions

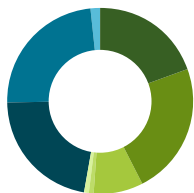
Monitoring greenhouse gas emissions is a continuously ongoing improvement work where knowledge of the current situation is the basis for goals and

strategy. Work to improve data quality and increase the level of measured data takes place continuously. In this year's report, 2022 emissions were adjusted due to the fact that the emission factor for the diesel subject to reduction was corrected. A corresponding change for the base year 2020 was not necessary. For more information on the emission factor, see Note S7 on page 127.

### Results for 2023

In 2023, Sveaskog's operations generated emissions of 260,175 tonnes of CO<sub>2</sub>e. This is a decrease of 14 per cent compared to the base year 2020 when emissions amounted to 302,680 tonnes of CO<sub>2</sub>e. Between 2022 and 2023, total emissions decreased by approximately 1.9 per cent. This is a result of significant reductions in emissions in felling and forest management, nurseries and downstream products sold. At the same time, we have small increases in road contracts, purchased goods and related transport. The share of the basis for the calculations based on measured data increased to 59 per cent in 2023 compared with 40 per cent in the previous year.

#### TOTAL EMISSIONS 2023, TONNES CO<sub>2</sub>e

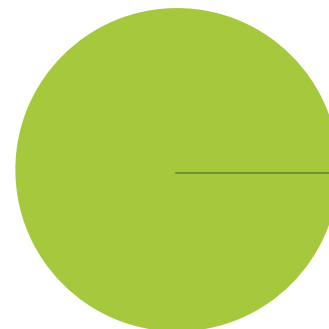


Forestry and felling	50,920
Transport	60,059
Roads	22,183
Electricity and heating	2,313
Travel	2,654
Purchased goods and services, incl. purchased sub	56,864
Products sold	61,229
Part-owned companies and subsidiaries	3,954
<b>Total CO<sub>2</sub>e footprint</b>	<b>260,175</b>

## Sveaskog's climate effect in the value chain

Sveaskog's forests grow annually more than the company harvests. This means that the climate benefit in the form of the stock of bound carbon in standing forest, dead wood and land is constantly increasing.

### Net uptake



**-9.79** million tonnes of CO<sub>2</sub>e

Carbon stored in standing forest, dead wood and land.

### Emissions Scope 1, 2 and 3



**0.26** million tonnes of CO<sub>2</sub>e

The emissions from Sveaskog's operations mainly come from felling and transporting timber to customers.

### Indirect climate effects



Packaging



Wooden houses



Biofuels

Additional climate benefits when wood-based products also reduce the need for fossil energy.



# Stakeholders

With its large forest holdings, Sveaskog has a business that affects many stakeholder groups. As part of the business, there is ongoing dialogue with key stakeholders and their views form the basis for the materiality analysis that identifies the company's most important and prioritised sustainability issues.

## Priority stakeholders

Sveaskog's priority stakeholders are those who are deemed to be most affected by the company's operations and who can also influence the operations. Stakeholders have different expectations of how the business is to be conducted. Sveaskog thus often encounters completely different views on how the forest and land holdings should be used and managed. Sveaskog Group management annually reviews the list of priority stakeholders to ensure that it is up to date.

## The ongoing dialogue

Sveaskog conducts a continuous dialogue with the company's stakeholders, for example through consultations with local communities when planning operating activities, employee development talks, business development talks with contractors, consultations with Sami and business discussions with customers. The company also has a dialogue with nature conservation and environmental organisations on nature conservation and forestry, as well as knowledge-raising discussions with research organisations and academia. The ongoing dialogue takes place both at national and regional level



through employees throughout the business. This year, the company strengthened its capacity for organised dialogue through the establishment of the Sustainable Business Development Unit. This unit is a node for the stakeholder dialogues that take place at the national and international level.

## Profit for the year

The result of the ongoing dialogue is that Sveaskog, as well as the rest of the forest industry, needs to spend more time and effort on developing common tools and instruments with the surrounding world. The ongoing discussion on the development of certification within FSC as well as the demand for products in carbon credits and biodiversity are examples of areas where more collaboration will be required in the future. The debate on forest damage and access to wildlife in the forest is also an area

where polarisation has increased and where Sveaskog will have to continue to get involved. The large, overall discussion about Swedish forestry is continuing in Sweden as well as in the EU. During the year, Sveaskog played, and will continue to play, an important role in conducting dialogue with interest groups, authorities and politicians to identify ways to create an understanding of forestry and how to adapt it to legislation on increased sustainability requirements coming from the EU.

The ongoing war in Ukraine and the recession have extensively affected the stakeholders and, above all, the groups of contractors and customers. Issues that have dominated the year have been difficulties with the supply of skills, a sharp increase in prices and a high degree of uncertainty regarding deliveries, assignments and access to raw materials.

### SVEASKOG'S STAKEHOLDERS

- The general public and local residents
- Contractors
- EU/International
- Municipalities
- Customers
- Loan institutions, creditors
- Employees
- Authorities
- Nature tourism entrepreneurs, hunters, fishermen
- Nature conservation organisations
- The Swedish Parliament
- The Government
- Reindeer husbandry
- Timber suppliers, including private forest owners
- Owner

# Materiality analysis

The materiality analysis aims to identify and prioritise the areas where Sveaskog has a significant impact on the environment, human beings and the economy. The prioritised sustainability issues also take into account what stakeholders expect and think is important for Sveaskog to work on.

Sveaskog's prioritised sustainability issues therefore reflect the results of the stakeholder dialogue, where issues such as sustainable forestry, skills supply and collaboration are of great importance. The materiality analysis forms the basis for Sveaskog's sustainability report according to GRI Standards 2021.

Sveaskog's operations and strategic targets for sustainable value creation contribute to both the 17 global sustainable development goals of the UN 2030 Agenda and Sweden's national environmental and climate objectives.

The goals within 2030 Agenda and the Swedish environmental and climate objectives that Sveaskog's operations affect are shown in the presentation of objectives and outcomes and linked to the programme for sustainable forestry.

During the year, work on updating the materiality analysis has begun, to align with the requirements of CSRD. This work and the implementation of the directive will continue in 2024. At right, priority sustainability issues are presented according to what applied until 2023.

## Priority sustainability issues

### Environmental

- Role model in sustainable forestry
- Increase in and follow-up on biodiversity
- Climate impact
- Raw material for sustainable transition
- Cloven-hoofed game management

### Social

- Working environment, safety and health
- Attracting and retaining talent
- Local employer and client
- Community engagement and social responsibility
- Gender equality and diversity

### Financial

- Transparency
- Coexistence with others on our land
- Collaboration with research and academia
- Supplier control
- Hunting, fishing and outdoor activities
- Land concessions, e.g. for wind power
- Climate adaptation

### Success factors

Investments in forests and forestry  
Increased ecological values of land holdings

A strong corporate culture

Strong partnerships and collaborations  
Efficient and considerate delivery  
Acceptance of and confidence in our forestry

### Indicators

- Optimal plant choice
- Increase in new tree elements
- More clearing in reindeer herding area
- 100 new wetlands
- Environmental consideration index

- That we have good leadership and engaged employees
- Proportion of women
- Proportion of employees with foreign background

- Satisfied contractors and suppliers
- Considerate delivery
- Reduced greenhouse gas emissions across the value chain
- Acceptance of our forestry

Vision: To be the world leader in sustainable value creation in the forest

Strategic targets for sustainable value creation



# Risk, corporate governance and sustainability

- [Risk and sensitivity analysis](#) →
- [TCFD](#) →
- [Corporate Governance Report](#) →
- [Board of Directors](#) →
- [Group Management](#) →
- [Sustainability Report](#) →
- [EU taxonomy on sustainable finance](#) →

# Risk and sensitivity analysis

An important part of creating long-term value is to understand and be able to manage the risks in the business. The whole company is covered by the risk inventory carried out as part of the annual business plan.

The material risks described in the summary below are based on the outcome of the risk inventory, the purpose of which is to identify measures that can be implemented to reduce risk exposure. This analysis describes the negative impact on Sveaskog's ability to achieve its strategic goals. The assessment relates to the business plan period which extends until 2028. Climate-related risks and opportunities from a longer time perspective are described on page 53.

Sveaskog's deliveries from its own forest are high and relatively stable over time, which means limited risks of revenue loss. Sveaskog annually lists risks, which may be financial, market-related, operational or legal as well as public and social risks. The forests are exposed to biological risks and risks related to weather and climate change. Sveaskog's forest holdings are spread across the country and can thus face various climate risks during the period in ques-

tion. The large amount of felling caused by storm damage and fires in recent years have highlighted the weather and climate risks. The forests are insured against higher extra costs.

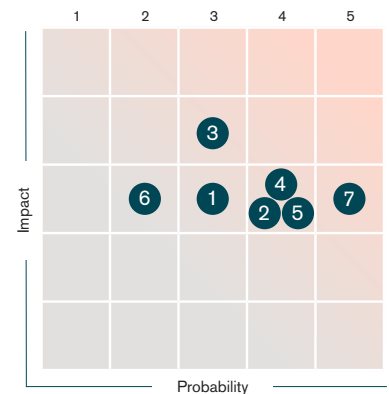
Sveaskog contributes to the development of new products and businesses such as biofuels. The company is also increasing revenue from the forest by granting concessions for hunting, fishing, nature tourism and solar and wind power. These efforts provide a broader revenue base, but may also involve risks such as conflicts of interest. Wars and conflicts in our nearby area lead to a significant increase in the costs of fuel, energy and freight, for example, and limit the availability of inputs and foreign labour. Sveaskog does not import timber from Russia or Belarus, but the market is affected by a change in the balance of timber around the Baltic Sea region as the EU countries restrict imports from these countries.

## Risk management process in Sveaskog

Risk management is an integral part of the company's annual business planning and includes both profit units and support units. Reporting includes a description of the risk, the measures and who is responsible. Assessment of the risk is made from a five-year perspective, and aims to describe the impact that the described risk can have on the company's strategic objectives according to the current business plan. Probability is assessed on a five-point scale where the lowest level (1) means that it is unlikely to occur during the period and the highest level (5) means that it is expected to occur during the period. Impact is assessed on a five-point scale where the lowest level (1) means that it has a negligible negative impact and the highest level (5) means that it has a major negative impact on Sveaskog's target fulfilment. The outcome of this assessment gives the total risk score illustrated in the risk matrix on the next few pages. The identified risks are valued and prioritised on the basis of the total risk value. The risk manager is responsible for identifying improvement measures and assessing these on the basis of effect and how time-consuming and cost-intensive the measure is. These are implemented according to priority and availability of resources. After implementation of the measures, an evaluation is carried out as to whether the measure has been sufficient to address the intended risk. Here is a presentation of how Sveaskog manages its most significant risks.

## Identification of material risks

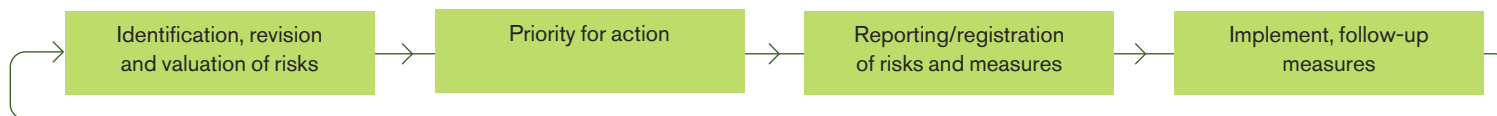
A balanced assessment of the respective risk area. These are presented in more detail on the following pages.



1. Weather risks
2. Biological risks
3. Financial risks
4. Operational and legal risks
5. Market risk
6. Social risks
7. Public Risks

## Responsibility

Sveaskog's Board of Directors is responsible for ensuring that the company manages risks in the right way and that established principles for financial reporting and internal control are complied with. The CEO has the overall operational responsibility and has delegated management of the risk management process to the CFO. Operational responsibility lies with the profit units and support units and is followed up at management level.





# 1. Weather risks

## Weather risks

A changing climate leads to increased temperatures and precipitation in the long-term, but has also been shown to increase the likelihood of periods of extreme weather such as drought and torrential rain even in the short term. Today's weather conditions entail an increased risk of forest fires, deteriorating driving conditions and risks of various forest damages such as storm damages and outbreaks of bark beetles. Climate-related risks in the long-term are presented under the section Climate-related risks and opportunities on page 53.

# 2. Biological risks

## Spruce bark beetle

In southern Sweden, spruce bark beetle attacks are substantial after hot and dry summers. The damage from infestations was generally slightly lower in 2023. However, the basic population and the control area remain large.

## Seed shortage

There is generally good seed availability of pine and spruce, but there is a shortage of refined seeds in some regions. There is also a shortage of seeds from other tree species such as larch, birch, oak and beech, mainly due to increased demand.

## Root rot

The damage to a tree affected by root rot can cause the wood to decompose, which means that the wood cannot be used as timber but instead has to be reclassified as pulp or energy wood. The rot can also mean a decrease in the growth of infested forests, which in turn can reduce the economic value of forest holdings.

## Management

- Most of the measures within the scope of the strategy contribute to a greater adaptation to the climate of Sveaskog's woodlands, such as work for increased biodiversity and more running watercourses.
- Clearing and thinning adapted to the site.
- Specially adapted forestry methods in case of fire risk and poor soil bearing capacity.
- Work involving cultivated seed and plant material.
- Tree species variation, mixed forest and adapted final felling ages.
- Good crisis organisation and logistics. Capacity to move felling resources to storm-felled area.
- Insurance against damage.

## Management

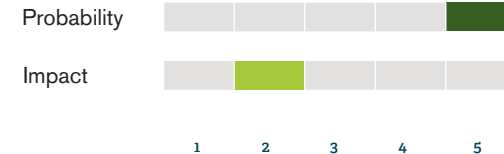
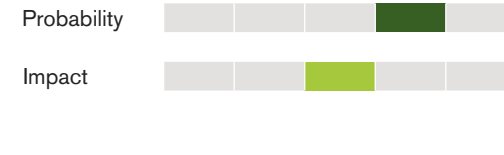
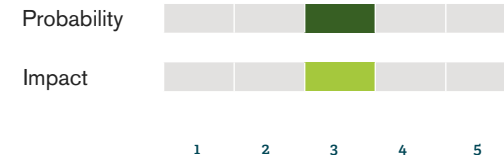
- More reliable forecasts.
- Rapid reprocessing of storm-felled timber and standing trees with fresh infestations.
- Method development for early identification of damage.

## Management

- Collection of stand seeds and/or external purchases.
- Research and development.
- Planning of new seed plantations.

## Management

- Prevent infestations by treating stumps against fungal spores during felling.
- Research and development, funding of doctoral students in the forest damage area.



## 2. Biological risks, cont.

### New pests take hold

Changes in the climate cause new pests to take hold.

Pests from other countries and continents risk being introduced through global plant trade, for example. If seriously harmful pests take hold in the country, it could entail major destruction. Reduced access to plant protection products increases the risk of harmful organisms in nurseries and seed plantations.

### Wildlife grazing damage

Wildlife grazing on trees and plants reduces forest growth and timber quality and makes forest regeneration more difficult after felling. Wildlife grazing damage is a fact and the cost annually amounts to hundreds of millions of SEK on Sveaskog's land. Expansion of new tree species is a challenge as many of the tree species are popular wildlife grazing.

### Other forest damage

Large areas in Norrland have negative growth due to damage caused by wildlife grazing, resin top disease, rust fungus and other fungal attacks in combination. This leads to sparse forests with the wrong tree species and low growth. Growth damage to the tops of pine in southern Sweden causes quality reductions.

### Management

- Monitoring.
- Research and development, funding of doctoral students in the forest damage area.

### Management

- Increased hunting pressure on cloven-hoofed game through various stimulus packages.
- Measures to increase the availability of game food.
- Increased knowledge of game populations.

### Management

- Developed management methods, regeneration with other tree species in affected areas.
- Inventory and restart of damaged forest.
- Research and development, cooperation with authorities and other forestry operations.

Probability 

Impact 

Probability 

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1 2 3 4 5

### 3. Financial risks

#### Financing risk

Assets are partly financed with external loans. This entails a risk if a high loan need arises in a strained credit market situation. Some financial markets operate less well due to wars and conflicts. Worry about the real estate market.

#### Interest rate risk

Risk of Sveaskog being exposed to an unfavourable interest rate position with a large loan portfolio. Interest rates have recently risen sharply.

#### Credit risk

That a counterparty is unable to fulfil its obligations. A severe deterioration in the economy entails an increased risk of credit losses.

#### Management

- A well-diversified loan portfolio of lenders and investors with good flexibility, competitive pricing and stable cash flows.

#### Management

- Sveaskog's policy is that the loan portfolio's average fixed interest rate term by should be 12–48 months, which is managed through the allocation of bond maturity.

#### Management

- The finance policy regulates maximum credit exposure in the investment portfolio. For the commercial credit exposure, a few major customers are excluded, and otherwise other customers are covered by credit insurance.
- Credit committee that conducts systematic follow-up and proposes development of procedures regarding credit risk management.

Probability



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### 4. Operational and legal risks

#### Loss of FSC certification

A lack of quality in forest management and nature consideration, as well as shortcomings in work and monitoring of social responsibility may result in Sveaskog losing the FSC certificate, which would have a significant negative impact on the timber business.

#### Management

- Documented procedures and work processes in all parts of the business.
- Procedures and work processes for deviation management.
- Internal and external audits and training courses for continuous improvement work.
- Reinforced organisation.

Probability



Impact



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## 4. Operational and legal risks, cont.

### Restrictions on forestry as a result of political decisions

National and EU directives, as well as the interpretation of the directives by the authorities, may lead to restrictions or other negative impacts on forestry.

### Management

- Participate and comment on new political decisions at the EU and Swedish level.
- Monitor the interpretations made.
- Participate in networks together with other stakeholders in the industry.
- When implementing, implement this in a balanced manner.

Probability



Impact



### Access to labour and contractors

Sveaskog sees a reduced supply of labour and increased competition from the industry and other industries, which means that it has become increasingly difficult to recruit its own staff and contractors in forestry and transport. The supply of foreign labour has been negatively affected by the corona pandemic, the war in Ukraine and by a weak Swedish krona.

### Management

- Profile Sveaskog as an attractive employer.
- Work together in the industry to increase attractiveness.
- Cooperation with the education sector and municipalities.
- Contribute to creating the conditions for contractors to recruit.

Probability



Impact



### Information security risks

#### *Administrative/organisational information security risks:*

Risks related to information security may be due, among other things, to insufficient procedures, incorrect documentation, a lack of resources for the work and follow-up of the information security work, and incorrect division of responsibilities when handling Sveaskog's information. There is also a risk of information leakage, destruction or unauthorised manipulation of protected information, including personal data.

### Management

- Information classification in order to identify information in need of protection and appropriate security measures.
- Uniform and well thought-out procedures for the correct handling of information worthy of protection.
- Information and training.
- Participation from the operations in information security work.
- Monitoring and control of information security measures.

Probability



Impact



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#### *Technical/physical IT security risks:*

Outages, information leaks, data breaches, virus attacks, sabotage and cyber-related extortion. AI can lower the entry threshold and entail more attackers.

- Protective measures are based on completed information classifications and risk analyses.
- Disaster scenarios to secure operations.
- Monitoring to detect and address information security incidents.
- Monitoring and control of information security measures.
- Information and training.

## 4. Operational and legal risks, cont.

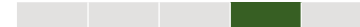
### Work environment and occupational health and safety

The debate on hunting, nature conservation, the reindeer industry, wind power and the use of forests is at times hard. Sveaskog encounters organised actions from different interest groups but also individual citizens acting on their own. Verbal threats, sabotage and vandalism occur. This leads to an increased workload and increased pressure on employees and partners, which in turn can lead to an increased risk of ill health and higher sick leave and can make the supply of skills more difficult.

### Management

- Proactive communication regarding Sveaskog's sustainable forestry.
- Ensure that Sveaskog has an organisation to deal with crisis and security issues.
- Developed and expanded cooperation with security companies.
- Support for operations and private individuals.
- Clear objectives for the business and individual employees.
- Continuous priority work.
- Work for a sustainable working life.

Probability



Impact



### Wars and sanctions

The Ukraine War and the conflict flare-up between Hamas and Israel are contributing to continued geopolitical unrest. The effects of the Ukraine War appear to have decreased, while the risks associated with the conflict in the Middle East are high, not least in the event of an expanded conflict that draws in additional surrounding countries. Sweden and Sveaskog risk being affected mainly by increased costs for goods, fuel and energy. Resource shortages linked to contractors and forest management persist, and are likely to increase when the war ends and reconstruction of war-torn areas starts, as well as rising machine prices.

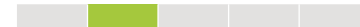
### Management

- Comply with the recommended sanctions from authorities.
- Work proactively to alleviate negative effects on operations, customers and employees.
- Review of the supply strategy for goods and services.

Probability



Impact



### Contaminated land

Liability for contaminated soil from previous commercial operations.

### Management

- Mapping, strategy and action plan for the management of ongoing operations and any subsequent treatment. Annual own-initiative subsequent treatments as part of the action plan.

Probability



Impact



1 2 3 4 5

## 5. Market risk

### Sawmill industry

Intermittent poor profitability results in sawmill closures and credit losses for Sveaskog. Restructuring may result in fewer customers in the local area for Sveaskog's forest holdings. Changes in the international markets may affect demand for products from the sawmill industry.

### Pulp and paper industry

Few, dominant companies mean a lack of competition and few alternative business and sales opportunities. The elimination of customers in the pulp and paper industry reinforces the lack of competition. Changes in the international market may affect demand for products from the pulp and paper industry.

### Energy sector

Increased volatility and uncertain profitability have led to restrictions on sales opportunities. Shutdowns of companies and customers in Sveaskog's traditional markets. The energy crisis has led to increased demand and higher prices on forest fuel. Economic problems among wind power concession-holders.

### Management

- Active customer selection and credit insurance.
- Well described assets and felling opportunities.
- Prioritising cooperation with customers with long-term survival and profitability potential.
- Prioritising product development and innovation.

### Management


- Increase market and customer capital.
- Well described assets and felling possibilities.
- More efficient logistics and increased exports.
- Prioritising product development and innovation.

### Management

- Be an efficient supplier with developed business concepts close to the customer that ensure added value and increased profitability for the parties.
- Prioritising product development and innovation.

Probability 

Impact 

Probability 

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## 6. Social risks

### Imported wood of undesirable origin

Purchases from other countries may involve risks related to illegal logging, corruption and labour law.

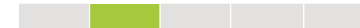
### Management

- Sveaskog's Code of Conduct and certification and clear guidelines for tracking and documentation of purchased raw materials, which govern the company's actions and follow-up.
- Second opinion for quality assurance of routines and working methods.

Probability



Impact



### Contractors

Contractors who fail to fulfil commitments may pose a risk linked to the working environment, health, safety and labour law. The challenges of recent years, such as cost increases and labour recruitment difficulties, are challenging for many contractors.

### Management

- Code of conduct, guidelines for the procurement of contractors, service declaration and follow-up and control of compliance reduce the risks.
- Spot-checks and inspections in the field and at the company (audit).
- Skill-improvement measures in purchasing and for contractors.

Probability



Impact



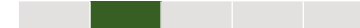
### Corruption

Unclear policies and procedures pose a risk of bribery and corruption.

### Management

- Continuous dialogue, Code of Conduct, clear guidelines, internal control, the possibility of anonymously reporting suspicions of violations.
- Internal training and communication.

Probability



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## 7. Public Risks

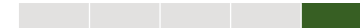
### Public opinion about the forest

Public opinion about the management and use of the forest can affect profitability and the value of forest land. The reputation of the company's operations, the forestry carried out and the brand are also affected by opinion. Confidence in the company is affected and with it customer relations and cooperation.

### Management

- External surveillance at the national and EU level.
- Active participation in the forest debate. Collaboration with other parties and stakeholders.  
Local presence and dialogue.
- Code of Conduct, internal procedures, active information work and continuous dialogue with stakeholders.
- Act as a role model in responsible forest ownership.

Probability



Impact



1 2 3 4 5

# TCFD – The forest in a changing climate

Sveaskog reports the climate analysis according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). TCFD contains recommendations for reporting both climate-related financial risks and opportunities, and is based on the areas of governance, strategy, risk management, indicators and targets.

According to the IPCC's latest report, the temperature of the Earth has risen by 1.1 degrees since 1900 and global greenhouse gas emissions continue to increase. Rapid changes are taking place in the atmosphere, the sea and the biosphere, and climate change is causing extreme weather in every region of the world. Forests have an important role to play in a changing climate, but will also be affected and changed.

## Governance

Sveaskog's climate analysis is updated as part of the annual business planning; the Board is responsible for Sveaskog's reporting according to TCFD and has approved the report prepared by Group management.

Work on the company's climate-related risks and opportunities will continue throughout the year, and be presented annually in the annual and sustainability report. The climate analysis is based on a scenario analysis focusing on how long-term targets and strategies look based on the IPCC emission and socio-economic development scenarios: SSP1-2.6, SSP2-4.5 and SSP5-8.5 in the middle of the century and at the end of the century. SSP1-2.6 can be

compared to a "low-emission scenario" which coincides with climate policy objectives for the early culmination of emissions, followed by a definite and continuous reduction. SSP5-8.5 can be compared to a "high-emission scenario" and entails continued high emissions.

## Strategy

Sveaskog's new objective for increased climate benefits clearly shows that the company can only be profitable in the long term if we take into account how climate change alters the conditions for our business. The foundation for Sveaskog's sustainability is vital, productive and resilient forests. A changing climate gives forestry the opportunity for more choices of tree species but requires that well adapted seed material is available. Sveaskog has comparative advantages through its own nurseries where development of adapted seed takes place to ensure resilient seedlings adapted to the current and future climate. The measures for climate adaptation mean a more varied forestry where we work to reduce and spread the risks and increase the forest's resistance to damage.

## Climate-related risks and opportunities

Sveaskog's climate analysis aims to identify and manage climate-related physical risks, transition risks and opportunities. The main physical risks relate to extreme weather with the potential to create disruptions throughout the production chain, deteriorating production conditions and the risk of loss of timber value due to increased risk of storm damage and damage from insects and fungi. Some of the transition risks identified are new land use directives, changes in end-customer demand and changes in seed material needs. The magnitude of these is highly influenced by how well society manages to limit climate change but also by Sveaskog's ability to adapt operations to climate change in the coming decades. At the same time, a change in the climate means opportunities for Sveaskog linked primarily to possible choices of tree species and a longer growing period that leads to higher growth. The climate effects that constitute the greatest risk vary across the country. The analysis is therefore being carried out with a clear link to climate scenarios with regional climate data.

## Indicators and targets

Sveaskog reports its greenhouse gas emissions in scope 1, 2 and 3 according to the Greenhouse gas protocol. Scope 1 is direct emissions from the company's own operations, scope 2 is indirect emissions from purchased energy and scope 3 is indirect emissions outside the boundary of the business.

Sveaskog's strategic objective of Increased climate benefit consists of two parts where one part is about increasing carbon capture and the other part is about reducing anthropogenic emissions throughout the value chain. In 2021, Sveaskog decided to set a scientific climate target according to the Science Based Targets initiative (SBTi). In 2022, SBTi launched a new sector standard for companies in landintensive sectors: Forest, Land and Agriculture (FLAG). The new sector standard is not yet established. Sveaskog is ready to set its target, which in accordance with this standard includes both uptake and natural emissions. However, the climate work is not standing still pending the SBTi FLAG. The company is working hard to reduce emissions from the business throughout the value chain.

Read more about Sveaskog's climate work on pages 40–41.

In the sustainable forestry programme, there are several measures aimed at adapting Sveaskog to a changing climate. Read more about these measures on pages 34–37.

# Corporate Governance Report

This Corporate Governance Report describes how Sveaskog, based on the company's vision of being the world leader in sustainable forestry and the company's parliamentary mandate, is creating well-functioning structures and principles for corporate governance of Sveaskog. The Swedish Companies Act, the State's ownership policy and the 2020 principles for companies with State ownership, the Swedish Corporate Governance Code and other applicable Swedish and foreign laws and regulations form the basis for the governance of Sveaskog.

## Corporate governance within Sveaskog

Sveaskog AB is a Swedish public limited company, which is wholly owned by the Swedish State and managed by the Ministry of Enterprise and Innovation. The owner's governance of Sveaskog takes place through the General Meeting of Shareholders and the Board of Directors in accordance with the Swedish Companies Act. Sveaskog's corporate governance is formed on the basis of applicable Swedish and foreign legislation, the State's ownership policy and the 2020 principles for companies with State ownership and the Swedish Code of Corporate Governance ("the Code").

This Corporate Governance Report has been prepared as part of Sveaskog's application of the Code. The report has been reviewed by the company's auditors. In accordance with the State's ownership policy and principles for companies with State ownership, Sveaskog has deviated from the Code in three cases:

- Preparation of decisions on the nomination of the Board of Directors and auditors, meaning that Sveaskog has not appointed a Nomination Committee.
- As regards the independence of Board members in relation to the State as the majority shareholder, this is

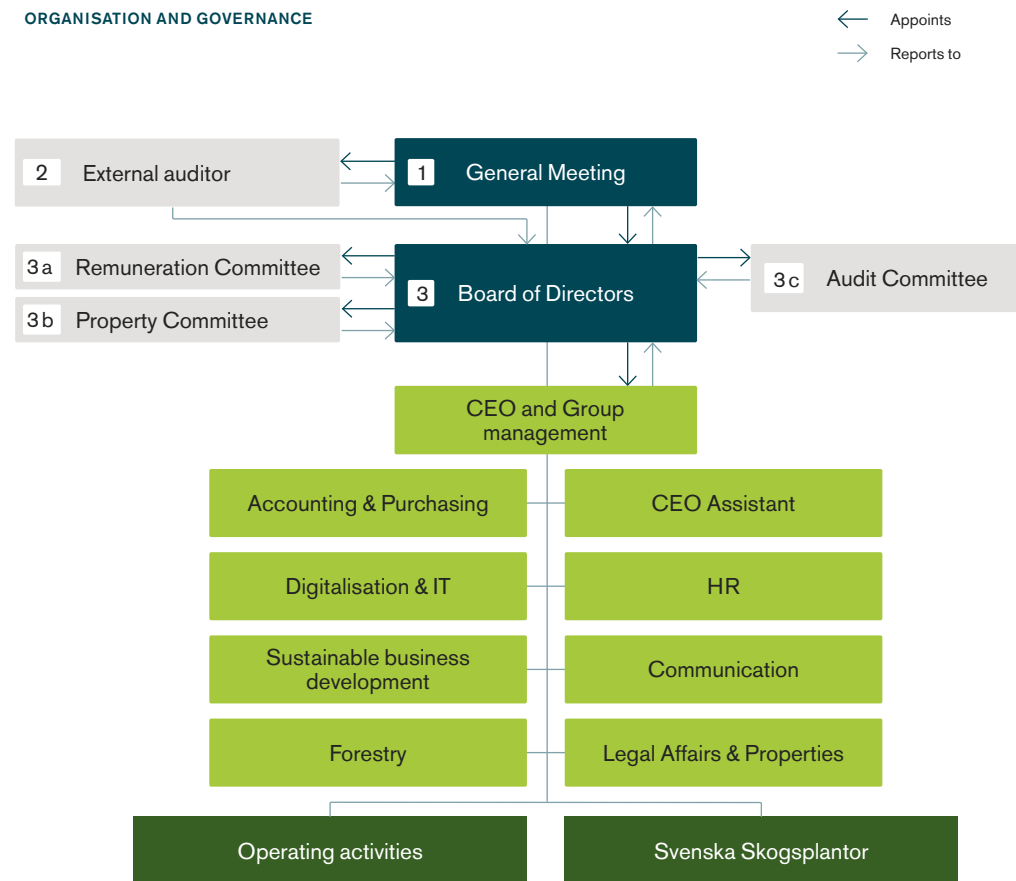
not reported as the Code in this respect targets companies with a distributed ownership.

- According to the Code, the date and place of the Annual General Meeting must be provided on the company's website at the latest in connection with the third quarterly report. Sveaskog has chosen to comply with Nasdaq Stockholm's Rulebook for Issuers and therefore provides information about the planned date for the Annual General Meeting in the year-end report.

## Sveaskog's mission

According to the State's ownership policy and principles for companies with State ownership, companies owned by the State must act in the long term, effectively and profitably and be given the ability to develop. The companies must serve as role models in the area of sustainable value creation and otherwise act in such a way that they enjoy public confidence. The companies should be role models in their industry of the national and international environmental objectives. According to the object of the company in the Articles of Association, Sveaskog shall own and manage movable and immovable property, as well as conduct forestry and

## ORGANISATION AND GOVERNANCE





forest industry activities, and activities consistent therewith. The core business shall be forestry. Sveaskog shall also be an independent operator with no major interests of its own as an end-user of wood raw materials. The company can also conduct related business if it contributes to increasing the company's return. According to a special parliamentary mandate, the company will divest, for a market-based consideration, a total of up to 60,000 hectares of unprotected productive forest land, mainly above and close to the boundary of forests near mountains, for use as a compensation land to individual landowners of protected forest including forest properties owned and managed jointly within so-called common forests and district common land. The company's operations shall be conducted on a commercial basis and generate market-based returns. The owner has chosen financial targets for Sveaskog regarding dividend yield and net debt/equity ratio, as well as a dividend policy.

### 1. General Meeting

The General Meeting of Shareholders is Sveaskog's highest decision-making body and the forum where the shareholder formally exercises its influence. According to the State's ownership policy, the Annual General Meeting shall take place no later than 30 April of each year. The convening notice for the Annual General Meeting shall be made no earlier than six weeks and no later than four weeks before the Annual General Meeting through advertising in the Official Swedish Gazette and on the company's website: sveaskog.se. The Board of Directors is responsible for convening the General Meeting. The Board submits a resolution proposal to the Annual General Meeting on guidelines for the remuneration of senior executives, reports whether previously agreed guidelines have been followed or not and the reasons for any deviations, and proposes the elec-

tion and remuneration of auditors. According to the State's ownership policy and principles for companies with State ownership and the Articles of Association, members of parliament have the right to attend the General Meeting and in connection with it ask questions. The public is also welcome to attend.

### Annual General Meeting 2023

The Annual General Meeting of the parent company Sveaskog AB (publ) was held on 26 April 2023 in Stockholm. The meeting was open to the public and both members of parliament and the public were invited to participate. The meeting was opened by the Chair of the Board, Kerstin Lindberg Göransson, who was also appointed to lead the meeting. The owner was represented by Stefan Öhlén. The Annual General Meeting adopted the income statement and balance sheet for the 2022 financial year and granted discharge from liability to the Board of Directors and the CEO for the year. The AGM resolved to approve the Board's proposed appropriation of earnings, which meant a dividend of SEK 1,150 million to the owner. Guidelines for remuneration of senior executives were established. In addition, the Board members, Chairperson and Auditor were elected and resolutions were passed regarding remuneration. Minutes and other material related to the Annual General Meeting can be found on the company's website: sveaskog.se.

### Extraordinary General Meeting 2023

Sveaskog AB (publ) held an Extraordinary General Meeting on 13 December 2023. The AGM resolved to approve a supplemental dividend of SEK 361,025,000 corresponding to SEK 3.05 per share. The dividend was paid on 20 December 2023 through the distribution of all shares in the subsidiary Ersättningsmark i Sverige 2 AB, corp. ID no. 559397-0691, to the State.

This is in view of the fact that the Government was authorised during the period 2022 and 2023 to transfer properties with a total area of no more than 25,000 hectares of productive forest land that does not constitute forests close to mountains from Sveaskog to the State through a dividend of properties or of shares in a subsidiary owned by Sveaskog.

### Annual General Meeting 2024

The 2024 Annual General Meeting will be held on 24 April. Documents for, and minutes from, General Meetings can be found on the company's website: sveaskog.se.

### 2. External auditor

Election of auditors is decided by the owner at the Annual General Meeting. The Board of Directors submits a proposal on an auditor's election to the AGM based on a recommendation from the Audit Committee. Proposals for the election of auditors are presented in the convening notice to the Annual General Meeting and on the company's website: sveaskog.se. The auditors are appointed for a one-year term of office. According to Sveaskog's Articles of Association, the company must have one or two auditors with or without one or two deputy auditors or a registered accounting firm as the auditor. At the 2023 Annual General Meeting, KPMG AB was re-elected as auditor for a one-year period until the 2024 Annual General Meeting. The accounting firm appointed Joakim Thilstedt as the auditor in charge. The auditor is responsible for examining the company's annual financial statements and accounts, as well as the management of the Board of Directors and the CEO, on behalf of the shareholders. A summary review of the company's Sustainability Report is carried out by the elected auditor, which certifies the report together with the responsible sustainability auditor. In addition, a summary review of the

Group's interim report is carried out at the end of the third quarter by the elected auditor. The Board of Directors has a dialogue with the auditor through the Audit Committee and through the auditor's presence at Board meetings in the treatment of issues leading to the annual financial statements and annual accounts. At least once a year, the auditor meets with the Board of Directors without the presence of the CEO or another person from Group management. The auditor has participated in all of the [six] meetings of the Audit Committee. The practical work on procurement of auditors is carried out by the Board's Audit Committee together with the company. Fees for the auditor's work are paid according to an approved bill. The company's audit costs are presented in Note 6, Other external expenses.

### 3. Board of Directors

The Board of Directors is responsible for the company's organisation and management of the company's affairs and ensuring that the company is managed in an exemplary manner within the framework of the legislation, the company's Articles of Association, the State's ownership policy and the 2020 principles for companies with State ownership and any owner instructions.

### Nomination process

The State's ownership policy and the 2020 principles for companies with State ownership set out a different nomination process than what the Code provides for in terms of election and remuneration of the Board of Directors and auditors. The nomination of the Board of Directors is coordinated by the Department of State-owned Companies at the Ministry of Enterprise and Innovation. They also make proposals on the Board Chair and Chair of the General Meetings. For each State-owned company, the need for competence is analysed on the basis of the company's operations,

situation and future challenges, the composition of the Board and the evaluations of the Board. After that, any recruitment needs are identified. An even gender balance is sought in the composition of the Board. Diversity aspects must also be taken into account. Once the nomination process has been completed, nominations are published in accordance with the Code. Proposals for the election of the auditor and auditor's fees are submitted by the Board. The nominations of Board members and auditors and proposals for remuneration are also presented in the convening notice to the Annual General Meeting and on the company's website: sveaskog.se.

### Composition of the Board of Directors

According to the Articles of Association, the Board of Directors shall consist of at least five and no more than nine members with no deputy members. The Articles of Association do not provide for the appointment or dismissal of Board members. The company's chief counsel is the secretary of the Board. At the 2023 Annual General Meeting, Kerstin Lindberg Göransson (re-election), Anna Belfrage (re-election), Marie Berglund (re-election), Uno Brinnen (re-election), Måns Nilsson (re-election), Leif Ljungqvist (re-election), Elisabet Salander Björklund (re-election) and Timo van't Hoff (re-election) were elected to the Board, which means that after the Annual General Meeting, the Board of Directors consisted of four men and four women. The Board also has two employee representatives and two alternates for them. Kerstin Lindberg Göransson was re-elected as the Chair of the Board of Directors. The Annual General Meeting noted that the Board members are deemed to have relevant competence, experience and backgrounds for the company's operations, development stage and conditions otherwise and that the Board as a whole has a versatility, breadth and gender distribution that reflects the requirements of the State's ownership policy.

### The Board's work during 2023

The Board's rules of procedure govern the work of the Board and determine how the work is to be divided among the Board members, the number of ordinary Board meetings, matters to be dealt with in ordinary Board meetings and the responsibility of the Chair of the Board. The Chair of the Board shall ensure that the work of the Board is carried out effectively and that the Board fulfils its obligations. At each Board meeting during the year, the CEO submits a report on significant events in the company and the outside world and the Chair of the respective committees reports from the committee meetings that have taken place between the Board meetings. According to the rules of procedure, the Chair shall, on behalf of the Board, consult representatives of the owner on matters of crucial importance to Sveaskog. The rules of procedure also contain information about the Chair's role in the Board and information about the division of responsibilities and roles between the Board and the CEO. The Board continuously evaluates the CEO's work, and makes an annual evaluation of the Board's work. At least once a year, the CEO's work is evaluated without the presence of anyone from Group management. In 2023, the Board held 12 meetings. In addition to dealing with standing items on the agenda, the Board dealt with issues relating to the company's strategic direction, the relationship with the reindeer industry and other stakeholders, and measures following the Swedish Parliament's decision on the bill Strengthened property rights, flexible forms of protection and increased incentives for nature conservation in the forest on a voluntary basis (Government bill 2021/22:58). The Board of Directors also made a decision on a number of acquisitions and divestments of properties. In addition to ordinary Board meetings, the Board received information on two occasions during the year leading to the company's

application of the CSRD regulations. In order to inform and update the Board members about the company's operations, certain Board meetings are usually held in different locations within the company's operations and are combined with meetings with management and employees. During the year, the Board of Directors made an excursion together with employees in the forest operations in the Hedlandet nature reserve in Eskilstuna Municipality.

### Committees of the Board of Directors

The Board has established committees to specifically monitor and prepare Board issues within the respective focus areas of the committees. The members of the committee are elected at the statutory meeting of the Board, which is held in direct connection with the Annual General Meeting. At the committee meeting, representatives from operations such as the CEO, CFO, HR Director, Communications Director, Chief Legal Officer and Property Director can participate as rapporteurs. Guidelines for the work of the committees are set out in the Board's rules of procedure. In addition, there are specific instructions for the Property, Audit and Compensation Committee. The issues dealt with by the committees are recorded and reported at the next Board meeting.

### Remuneration Committee

The Remuneration Committee prepares proposed guidelines for the terms of employment for senior executives and works with issues concerning remuneration and terms of employment, skills supply and succession planning. In 2023, the committee mainly worked on organisational development issues, the employee survey and the skills supply. The Remuneration Committee consists of Kerstin Lindberg Göransson (Chair), Marie Berglund, Leif Ljungqvist and Timo van't Hoff.

### Property Committee

The Property Committee prepares proposals for decisions on property transactions and works on issues related to property management and land concessions. In 2023, the committee worked with, among other things, the company's land ownership strategy mainly focusing on other land use and business forms for energy production (solar and wind power) as well as the continued work on implementing the compensation land and land sales program. The Property Committee consists of Elisabet Salander Björklund (Chair), Uno Brinnen, Måns Nilsson and Sara Östh.

### Audit Committee

The Audit Committee prepares issues regarding, among other things, the Board's quality assurance of the company's financial reporting, prepares quarterly reports for decisions in the Board of Directors, supervises the efficiency of the company's internal control and risk management with regard to financial reporting, supervises the company's work on the capital structure and other financial matters, prepares policies for decisions in the Board of Directors and prepares the Board's proposal for the Annual General Meeting's resolution on the election of auditors. The committee continuously meets the company's auditor to inform itself of the focus, scope and results of the audit and discusses the coordination between the auditor and the internal control activities and the view of the company's risks. The Audit Committee consists of Anna Belfrage (Chair), Leif Ljungqvist, Elisabet Salander Björklund and Kenneth Andersson. During 2023, focus was on internal governance and control, as well as IT and cyber security.

## Principles for remuneration of the Board of Directors

The Board members' fees are decided by the Annual General Meeting as well as fees to members of the Board committees. During 2023, remuneration of the Board of Directors was paid in a total of SEK 1,955,665. The Board of Directors does not have a share in any bonus or incentive programme. The employee representatives, their alternates and the Board member employed at the Government Offices receive no fees.

## Evaluation of the Board's work and the CEO's work

The Board conducts an annual evaluation of the work of the Board and the CEO. The evaluation is carried out either internally or externally with the aim of developing the working methods and effectiveness of the Board. An external evaluation was carried out in 2023. The results of the evaluation were presented both to the Chair of the Board and to the Board as a whole. The owner in the form of the Government Office was also informed of the results of the evaluation. In addition, the Government Office's work on the Board nomination process is continuously evaluated by all State-owned corporate boards.

## Organisation of operations

Sveaskog's business activities are comprised of one operational unit, which in turn consists of five regions, and is supplemented by a Forestry Unit and the business area Svenska Skogsplanter.

## CEO and Group management

Sveaskog's CEO handles the company's ongoing management according to the terms of reference for the

CEO issued by the Board. The CEO is the rapporteur for the Board's meetings. The CEO's responsibility includes ongoing business issues and leading the Group management's work. Erik Brandsma has been the company's CEO since 2022. In 2023, Group management included, in addition to the CEO, CFO, HR Director, COO, Business Area Manager for Svenska Skogsplanter, Forestry Director, CDO, Communications Director, Chief Legal Officer and the Head of Sustainable Business Development. A total of ten persons are included in Group management, of which five are women and five are men.

## Internal control and risk management for financial reporting

The Board's responsibility for internal control is governed by the Swedish Companies Act and the Code. Internal control aims to provide reasonable assurance regarding the reliability of external financial reporting in the form of interim reports, year-end reports and annual reports. Its verification shall also cover the external financial reporting and ensure that it is prepared in accordance with the law, applicable accounting standards and other requirements for public limited liability companies. The internal control within Sveaskog is based on the COSO Framework for Internal Control, which is an established framework.

## Internal control framework

The following is a description of how internal control is organised in relation to financial reporting.

## Control environment

The Board has overall responsibility for maintaining an effective internal control and risk management system. The Board of Directors has appointed the Audit Com-

mittee to prepare questions regarding risk assessment, internal control, financial reporting and auditing. The Board's risk management has been given more space in recent years. The responsibility for maintaining an effective control environment and the ongoing work on risk management and internal control regarding the financial reporting in the company is delegated to the CEO. Managers at different levels of the company have corresponding responsibilities in their respective areas. The most important parts of the control environment for financial reporting are dealt with in the governing documents concerning accounting and financial reporting and in the company's accounting handbook.

## Risk assessment and control structures

The Board of Directors is responsible for ensuring that the company manages its risks in the right way and that the established principles for financial reporting and internal control are followed. The identified risks associated with the financial reporting are loss or misappropriation of assets, undue benefits provided to another party at the company's expense, and other risks related to material misstatements in the reporting regarding, for example, the accounting and valuation of assets, liabilities, income and expenses or deviations in disclosure requirements. The questions are prepared by the Audit Committee for consideration by the Board. A number of items in the income statement and balance sheets have been identified where there is an elevated risk of material risks. These risks are mainly related to the valuation of forest assets, period accruals and the IT systems that support the operations.

## Information and communication

The company's information and communication channels aim to promote the completeness and accuracy of

the financial reporting. For external communication, there are regulations that aim to ensure that the company complies with Nasdaq Stockholm's Rulebook for Issuers.

## Monitoring and evaluation

The Board of Directors, the CEO, Group management and the Accounting and Purchasing Unit continuously ensure monitoring and evaluation of the internal control regarding the financial reporting and that it is suitable and effective. Financial reporting takes place according to a defined reporting structure. The company's objectives and any identified risks are continuously monitored at different levels in the company. This monitoring is regulated in the Board's rules of procedure, the terms of reference for the CEO and other internal governance documents. The budget is decided each year by the Board and the Board receives monthly financial reports and a report from the last meeting of the respective committees. The Audit Committee has a special responsibility for following up audit issues and major issues of principle with regard to financial reporting, where issues relating to forest value and internal control are the focus. The company's auditor reports its observations from reviews and its assessment of the company's internal control to the Audit Committee and the Board of Directors. This is done both with and without the presence of Group management.

## Special audit function

It is the Board's view that Sveaskog's significant risks and risk areas are covered by the risk management process applied by the company. The Accounting and Purchasing Unit is responsible for the risk inventory and risk management processes on behalf of the CEO. This unit is also responsible for a number of central controls



combined with local follow-up. However, operational responsibility lies within the regions and other operating units. The Board of Directors considers that there is no need for a special audit function in the company. The Accounting and Purchasing Unit is led by the CFO and comprises accounting, controlling, purchasing, timber accounts and business development.

### Sustainable value creation

Sveaskog has integrated sustainable value creation throughout its operations. Sveaskog's strategic goals for sustainable value creation are broken down into strategic plans and operational goals that are monitored regularly. This work is supported by a number of policies and guidelines. The follow-up of the sustainability work takes place continuously both internally and externally. The Board issues the Sustainability Report and the Audit Committee prepares the work on it. Collaboration with local contractors and suppliers is important for the development of Sveaskog. The Code of Conduct, general sustainability requirements linked to the UN Global Compact and detailed requirements for contractors govern the assessment of the contractors. Follow-up is carried out through self-monitoring and internal audits. Deviations are reported in the operational management system. Every year, the framework agreements with external suppliers are followed up. This external review consists of the auditors examining the annual and sustainability reports. In addition, internal audits of the integrated operational management system are carried out in accordance with ISO 14001. There is an external audit against the FSC standard and regular investigations are conducted towards customers, employees, contractors and suppliers as well as the brand. This becomes a tool for creating an under-

standing of the impact of the business from a stakeholder perspective and provides support for the follow-up of international frameworks such as national environmental quality objectives and 2030 Agenda.

### Code of Conduct

Sveaskog depends on the rest of the world having confidence in the company. A high level of confidence in the company is a prerequisite for Sveaskog to continue as a successful business. Sveaskog's Code of Conduct makes it clear to all employees how to behave as

a business partner, employer, employee and societal actor. Sveaskog's Code of Conduct applies to all employees. Those that reach agreements with customers, suppliers, contractors and consultants must ensure and monitor that they comply with the Code of Conduct. Sveaskog's managers have a special responsibility to ensure that the Code of Conduct is complied with in their daily operations. The Code of Conduct must always be reviewed in new recruitments, employee development talks, procurements, business follow-ups, etc. When signing business and cooperation agree-

ments, the service declaration, which includes the Code of Conduct, is included as an annex. In order to ensure compliance with the Code of Conduct, there is a specific reporting system for discrepancies or violations. This whistleblower function can be found on the company's website: [sveaskog.se](https://sveaskog.se). The function is external, which means that the information is handled and investigated by an external party. In 2023, two reports were received via the whistleblower function.

#### ATTENDANCE AND REMUNERATION OF THE BOARD MEMBERS

Name	Position	Attendance Board meetings	Attendance Remuneration Committee	Attendance Property Committee	Attendance Audit Committee	Remuneration, SEK Board of Directors	Remuneration, SEK Committees
Kerstin Lindberg Göransson	Chair of the Board	12/12	3/3				
Anna Belfrage	Board member	10/12			6/6		
Marie Berglund	Board member	12/12	3/3				
Uno Brinnen	Board member from 26 April	9/9		4/4			
Leif Ljungqvist	Board member	12/12	3/3		6/6		
Måns Nilsson	Board member	12/12		7/7			
Elisabet Salander Björklund	Board member	12/12		6/7	6/6		
Timo van't Hoff	Board member from 26 April	8/9	2/2				
Kenneth Andersson	Employee representative	11/12			5/6		
Sara Östh	Employee representative	11/12		7/7			
Lars Djerf	Employee representative, alternate	10/12					
Thomas Esbjörnsson	Employee representative, alternate	11/12					
Sven Wird	Board member until 26 April	3/3		3/3			

# Board of Directors



**Kerstin Lindberg Göransson**

Chair of the Board

Master of Science in Economics.

Born in 1956. Elected in 2019 and Chair since 2022.

**Other assignments:** Chair of the Board of Directors of Rikshem AB, member of the Boards of Alecta Fastigheter AB and the Sophiahemmet non-profit association. Member of the Royal Swedish Academy of Engineering Sciences (IVA). Vice-Chair, Örebro University

**Previous experience:** Chair of the Board of Svensk Bilprovning AB and the K2 Swedish Knowledge Centre for Public Transport and a former member of the Third Swedish National Pension Fund, Jernhusen AB, Hemnet Group AB, Strömma Sjöfart and Turism AB and Grand Hotel AB. CEO of Akademiska Hus, Airport Director of Stockholm-Arlanda Airport, CFO and Deputy CEO of the Scandic Group.

**Committee assignments:** Chair of the Remuneration Committee.



**Anna Belfrage**

Board member

Master of Science in Economics.

Born in 1962. Elected in 2022.

**Other assignments:** Chair of the Board of NOTE AB. Member of the Boards of Cint Group AB, Ellevio AB, Deep Ocean Group AS, Elopak AS and Mycronic AB.

**Previous experience:** Board member of Isofol AB, CFO of Södra Skogsägarna Ekonomisk Förening, Acting CEO of Beijer Electronics AB, CFO of Beijer Electronics Group, CFO of ABS Group (a division within the Cardo Group), CFO of Dresser Wayne Scandinavien, auditor at Price Waterhouse.

**Committee assignments:** Chair of the Audit Committee.



**Marie Berglund**

Board member

MSc in Biology.

Born in 1958. Elected in 2019.

**Other assignments:** Member of the Boards of BalticSea 2020 Foundation and the BalticWaters 2030 Foundation, the Board of Trustees of the Swedish World Wildlife Fund WWF and the Oversight Council of the County Administrative Board of Västernorrland.

**Previous experience:** Senior Advisor NCC, Raw Materials Manager and Sustainability Coordinator of NCC Industry AB. External CEO of Bioendev AB, Environmental Manager of Botniabanan AB and Group Ecologist and Environmental Audit Manager of Mo och Domsjö AB. Chair of the Boards of Eurocon Consulting AB and Environmental Auditors in Sweden. Member of the Boards of Boliden AB, the Swedish Forest Agency, the Bothnian Sea Water Delegation, the Swedish World Wildlife Fund WWF, Enefjärn Natur AB and the Delegation for the Promotion of Environmentally Sustainable Technology.

**Committee assignments:** Member of the Remuneration Committee.



**Uno Brinnen**

Board member

Master of Forestry, Licentiate of Forestry

Born in 1956. Elected in 2023.

**Other assignments:** Board member of the Royal Swedish Academy of Agriculture and Forestry.

**Previous experience:** SVP of Forestry BillerudKorsnäs AB, Board member of BillerudKorsnäs Baltic companies, Forest Director of Korsnäs AB, Board member of ACE (Alliance for Beverage Cartons and Environment) Brussels, Board member of the Forestry Research Institute of Sweden, Forest Manager of Ljusdals skogsförvaltning Korsnäs AB, Property and Information Manager of Gimo Skogsförvaltning Korsnäs AB, System Development Manager of Korsnäs AB, Forest System Development Manager of SCA Data, Forest Work Environment Researcher at the Swedish University of Agricultural Sciences (SLU).

**Committee assignments:** Member of the Property Committee.



**Timo van't Hoff**

Board member

MSc in Technology Management.

Born in 1971. Elected in 2023.

**Current position:** Chief Business Development Officer – RISE (Research Institutes of Sweden)

**Other assignments:** Member of the Boards of Unimer AB and SWERIM.

**Previous experience:** Chief Product Officer of HMS Network, CEO of Volvo Car Retail Solutions, Director R&D Emerson Process Management – Marine. Various positions at AB Volvo and Capgemini.

**Committee assignments:** Member of the Remuneration Committee.



**Leif Ljungqvist**

Board member

Master of Science in Economics.

Born in 1971. Elected in 2016.

**Current position:** Company Manager at the Department for State-owned Enterprises at the Ministry of Finance.

**Other assignments:** Member of the Boards of Systembolaget AB, Teracom AB and AB Svenska Spel.

**Previous experience:** Member of the Boards of Samhall AB, Apoteket AB, Statens Bostads-omvandling AB, Akademiska Hus AB, AB Svensk Bilprovning, Vasallen AB and AB Bostadsgaranti. Former stock analyst Kaupthing Bank, Nordiska Fondkommission and Hagströmer & Qviberg.

**Committee assignments:** Member of the Remuneration Committee and the Audit Committee.

## Board of Directors, cont.



### Måns Nilsson

Board member

Associate Professor in Environmental Strategy Analysis.

Born in 1969. Elected in 2022.

**Other assignments:** CEO, Stockholm Environment Institute (SEI). Member of KSLA, Board member of the IVL Swedish Environmental Research Institute.

**Previous experience:** Deputy CEO and Head of Research at SEI, Adjunct Professor at the KTH Royal Institute of Technology in Environmental Strategy and Policy Analysis.

**Committee assignments:** Member of the Property Committee.



### Elisabet Salander Björklund

Board member

Master of Forestry.

Born in 1958. Elected in 2021.

**Other assignments:** Member of the Boards of AB Karl Hedin, Arevo AB, Infinite Fiber Company Oy, Firefly AB, Dalkarlsbo AB and the Marcus Wallenberg Prize Foundation. Board member of the Royal Swedish Academy of Agricultural and Forestry (KSLA) and the Royal Swedish Academy of Engineering Sciences (IVA).

**Previous experience:** CEO of Bergvik Skog AB. Senior positions at Stora Enso. Several positions in charge of timber sales within the Swedish National Forest Enterprise, later AssiDomän. Member of the Boards of Ahlström-Munksjö Oy, Clas Ohlson AB and Gasum Oy, among others.

**Committee assignments:** Chair of the Property Committee and member of the Audit Committee.



### Kenneth Andersson

Employee representative

Machine driver.

Born in 1969. Elected in 2017.

**Current position:** Employee representative for the Swedish Union of Forestry, Wood and Graphical Workers (GS). Employed at Sveaskog as a machine driver.

**Committee assignments:** Member of the Audit Committee.



### Lars Djerf

Employee representative (alternate)

Machine driver.

Born in 1968. Elected in 2013.

**Current position:** Employee representative for the Swedish Union of Forestry, Wood and Graphical Workers (GS). Employed at Sveaskog as a machine driver.



### Thomas Esbjörnsson

Employee representative (alternate)

Born in 1962. Elected in 2015.

**Current position:** Employee representative for Ledarna, the organisation for managers in Sweden. Employed at Sveaskog as a Process Developer.



### Sara Östh

Employee representative

Master of Forestry.

Born in 1983. Elected in 2018.

**Current position:** Employee representative for white-collar workers appointed by the Union for University Graduates. Employed at Sveaskog as an Environmental and Quality Coordinator.

**Committee assignments:** Member of the Property Committee.



# Group Management



**Erik Brandsma**

CEO

Forest Engineer.

Born in 1964.

Employed in 2022. Began in the current position in 2022.

**Previous experience:** CEO Jämtkraft AB, Director General at the Swedish Energy Agency, Head of Sustainability/CSR Vattenfall AB, Chief Sustainability Officer EON AG in Germany, Managing Partner at Sustain AB, Senior Advisor at Environmental Resources Management in London and Stockholm, Taskmanager at the Commission for Sustainable Development in New York, Advisor Directors Office at the Environment Directorate OECD in Paris, Administrator Directorate Strategic Planning Ministry for Environment and Spatial Planning, the Netherlands.

**Other assignments:** Chairman of the Board of Circular Gastronomy Scandinavia AB. Board member of Setra Group AB and Stockholm University, as well as a Board member and CEO of Eldbrand AB.



**Anders Almäng**

Head of Forestry

Master of Forestry.

Born in 1965.

Employed in 2003. Began in the current position in 2022.

**Previous experience:** Head of Södra Norrland Profit Centre, Director of Forest Management MO Mitt Sveaskog, Planning Manager Södra Norrland Sveaskog, Director of Forest Management, Swedish National Property Board, Director of Forest Management (acting) AssiDomän.

**Other assignments:** Deputy Board member of NFA Forestry Automation AB.



**Helene Bergström**

Head of Svenska Skogsplantor

Primary school teacher and Master of Forestry. Executive MBA, Stockholm School of Economics.

Born in 1972.

Employed in 2010. Began in the current position in 2020.

**Previous experience:** Planning Manager and Head of Sveaskog Norra Bergslagen and Södra Bergslagen Profit Centres.



**Per Callenberg**

Head of Sustainable Business Development

M.Sc. in Industrial Economics.

Born in 1980.

Employed in 2023. Began in the current position in 2023.

**Previous experience:** State Secretary, Ministry of Infrastructure. State Secretary, Ministry of Enterprise and Industry. Deputy Head of the Coordination Office of the Cabinet Office. Senior Adviser Vattenfall Nordic. Chair of the Swedish FAO Committee

**Other assignments:** Board member of Setra Group AB.



**Annica de Jong**

Head of HR

Bachelor of Science in Working Life Issues. Diplomaed Gestalt Practitioner in Organisation, Gestalt Institute of Scandinavia.

Born in 1968.

Employed in 2023. Began in the current position in 2023.

**Previous experience:** HR Director LRF, Human Resource Director, CGI. HR Controller Swedavia. Consultant Director Proffice Sweden.

**Other assignments:** Member of the Boards of ShoreLink AB and the Swedish Federation of Green Employers.

## Group Management, cont.



### Patrik Karlsson

Chief Digital Officer

M.Sc. Economics and Systems Scientist.

Born in 1969.

Employed in 2020. Began in the current position in 2020.

**Previous experience:** CIO at Nordic Cinema Group and Filmstaden, CIO Intrum Justitia, CIO Ventelo, various roles at Capgemini.

**Other assignments:** Board member of Biometria.



### Christine Leandersson

Head of Legal

Master of Laws.

Born in 1974.

Employed in 2022. Began in the current position in 2022.

**Previous experience:** Senior Adviser, Group Director and Business Counsel, Corporate Administration, Government Offices of Sweden. Attorney, Advokatfirman Vinge.

**Other assignments:** Board member of Sveaskog Finans AB



### Malin Nördén

Head of Communications

Bachelor's degree.

Born in 1971.

Employed in 2022. Began in the current position in 2022.

**Previous experience:** Head of Group Communications, Head of Internal Communications and Head of Content PostNord, Director Internal Communication & Brand Management, Director Editorial Management, Ericsson and AD, copywriter and Editor-in-Chief HL Display.



### Claes Rasmuson

Chief Financial Officer

M.Sc. in Engineering.

Born in 1968.

Employed in 2023. Began in the current position in 2023.

**Previous experience:** CFO at Specialfastigheter Sverige AB, Head of Strategy and Business Development and Acting CFO LKAB, financial analyst.

**Other assignments:** Chairman of the Board of Sveaskog Försäkringsaktiebolag and Board member of Sveaskog Finans AB.



### Anette Waara

Head of Operations

Master of Forestry.

Born in 1969.

Employed in 2002. Began in the current position in 2023.

**Previous experience:** Head of Västerbotten Profit Centre and Production Manager and Environmental Manager Sveaskog. Field Worker Holmen Skog. Board member, Swedish National Property Board.

### Persons who left Sveaskog Group management in 2023:

Kristina Ferenius

Anders Jakobsson

# Sustainability Report

Sveaskog issues a Sustainability Report in accordance with the Swedish Annual Accounts Act 6:11 which is separate from the formal annual report but integrated into the annual and sustainability report document. The Sustainability Report covers Sveaskog AB and its subsidiaries. According to the Swedish Annual Accounts Act, the Sustainability Report must contain the information necessary to describe the company's development and performance, as well as the impact of the business on issues related to the environment, social conditions, personnel, human rights and anti-corruption. The report must present the company's business model, policies and their outcomes, the company's risk management processes, including identified risks and their management, as well as key performance indicators. See the table below for reference to the respective requirements.

Area	Disclosure requirements	Environment	Staff	Social conditions	Human rights	Anti-corruption
<b>Business model</b>	The Sustainability Report must describe the company's business model.	Sveaskog's business model is described on pages 14–15.				
<b>Policy</b>	The Sustainability Report shall describe the policy applied by the company to the issues, including the auditing procedures carried out.	This is described on pages 34–37 and 40–41.	Working environment and gender equality, pages 21–22.	Decent terms of employment, pages 21–22, contractors page 24.	Human rights and anti-corruption can be found in the Corporate Governance Report, pages 54–58. Guidelines on bribery, gifts and representation and the Code of Conduct at sveaskog.se	
<b>Result of the policy</b>	The Sustainability Report must describe the result of the policy.	This is described on pages 34–39.	Working environment and gender equality pages 39, 21–22, and 128–130.	Building a sustainable value chain, pages 23–26.	Human rights and anti-corruption can be found in the Corporate Governance Report, pages 54–58. Guidelines on bribery, gifts and representation and the Code of Conduct at sveaskog.se	
<b>Material risks</b>	The Sustainability Report shall describe the material risks related to the issues and linked to the company's business including, where relevant, the company's business relationships, products or services that are likely to have negative consequences.	Risk and sensitivity analysis, weather, climate and environmental risks pages 46–47 and 53.	Risk and sensitivity analysis, operational and legal risks pages 48–50.	Risk and sensitivity analysis, social risks page 52.	Risk and sensitivity analysis, social risks page 52.	Risk and sensitivity analysis, social risks page 52.
<b>Risk management</b>	The Sustainability Report shall describe how the company manages the risks.	Risk and sensitivity analysis, weather, climate and environmental risks pages 46–47 and 53.	Risk and sensitivity analysis, operational and legal risks pages 48–50.	Risk and sensitivity analysis, social risks page 52.	Risk and sensitivity analysis, social risks page 52.	Risk and sensitivity analysis, social risks page 52.
<b>Performance indicators</b>	The Sustainability Report shall describe key performance indicators relevant to the business.	Biodiversity and nature conservation, pages 35–39.	Sick leave and occupational injuries, page 130.	Evaluation of contractors, page 38.	Values and anti-discrimination, page 130.	No cases of corruption were reported in 2023.
<b>Reporting according to Article 8 of the Taxonomy Regulation</b>	Assessment of compliance with the Regulation and accounting principles can be found on page 64.					



# EU taxonomy on sustainable finance

## Assessment of compliance with the Regulation<sup>1)</sup>

The EU taxonomy on sustainable finance is part of the EU's Green Deal, and aims to regulate which economic activities are defined as sustainable. This is done by means of a regulation which identifies the activities covered by the taxonomy (these are so-called Taxonomy eligible), and then, using specific criteria within the respective activity, it is assessed if the activity makes a significant positive contribution to these objectives (is so-called Taxonomy aligned). In order for an activity to be in line with the taxonomy, it must, in addition to significantly contributing to environmental objectives, also meet the requirement not to cause significant harm (Do no significant harm – DNSH) and the requirements for minimum safeguards. By supporting the UN Global Compact's principles on human rights, the working environment, the environment and anti-corruption, as well as the core ILO conventions and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, Sveaskog

considers that the business meets the requirements for minimum safeguards.

Sveaskogs business consists of the activities in 1. Forestry, more specifically 1.3 Forest management, which is relevant to study more closely. A mapping was carried out of Sveaskog's operations, against the technical review criteria. A delimitation was made in accordance with the Regulation, so that only its own forestry activities are covered. This excludes external activities such as purchases from private landowners, purchases from other forest companies and imports.

The activity 1.3 Forest management describes all aspects of the forest management cycle, including those included in the Nordic model of forestry that Sveaskog applies. The different components are also dependent on each other for a continuous and long-term increase in sequestration of carbon. In light of this, Sveaskog has concluded that regeneration felling is included in the activity.

**Table 1: Nuclear and fossil gas related activities**

Nuclear energy related activities		Sveaskog
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

<sup>1)</sup> Based on expertise from forest experts within the company and in the forest industry, Sveaskog has evaluated the requirements and assessed the company's compliance with the criteria for minimum safeguards, substantial contributions and doing no significant harm. The calculation of the shares included in the taxonomy has been assessed and verified internally by experts in accounting and finance.

New for 2023 is Table 1, which outlines whether operations engage in gas or nuclear activities, or are exposed to such. As indicated in the table, this is not applicable to Sveaskog.

### Accounting principles

For Sveaskog's reporting in 2023, an assessment was made of which activities within the business are considered to be part of the activity 1.3 Forest management. The starting point is income and expenses according to the external reporting, which includes all operations. From there, the parts were then excluded which, in our assessment, are not included in the taxonomy and the parts included in the taxonomy were included. No activities were counted twice.

### Sales<sup>2)</sup>

In terms of sales, we began with net sales from the income statement, which for 2023 is MSEK 7,863 (7,760). The parts that, in our assessment, are not covered by the taxonomy which are: income from external timber transactions, income for transport, income for wind power, gravel and peat, internal income for the sapling business, are then excluded from the net sales.

### Operating expenditure (OPEX)<sup>3)</sup>

For operating expenditures, we began with the total expenses of the income statement, i.e. a total of MSEK 6,527 (6,259). From this, the costs have been excluded, which, in our assessment, are not included in the taxonomy, which are: external timber transactions, transport expenditure, natural tourism expenditure, forestry conservation costs, costs for the sapling operations, marketing expenditure, administrative, logistic and market organisation expenditures, expenditure on support units other than the forestry support unit, and changes in stocks and depreciation.

### Capital expenditure (CAPEX)<sup>4)</sup>

The comments on the Group's cash flow statement show that the investments in 2023 amounted to MSEK 634 (298). Of the investments made by Sveaskog, MSEK 589 (262) can be considered to be capital expenditure (CAPEX) in accordance with the taxonomy. Of which MSEK 226 (225) was invested in forest conservation, which is a new accounting principle for 2023. Sveaskog is a lessee of various properties such as offices and warehouses, storage facilities, machinery, trucks, cars, land for sapling terminals, seed plantations, fishing

rights and office equipment and more, which amounts to MSEK 174 (130). The included investments in the form of property acquisitions, production machinery and equipment, new forest and new seedlings in sapling operations, as well as changes in leasing liabilities, MSEK 44, can be considered capital expenditure. New for 2023 is that changes in leasing liabilities regarding the rental of office space have instead been accounted for under Management and ownership of properties. In total, the capital expenditures (CAPEX) during 2023 amounted to MSEK 673 (652).

### Sales

**Numerator:** Total revenue (See page 70, net sales), excluding income for external timber transactions, income for transport, income for wind power, gravel and peat, internal income for the sapling business, and other income.

*Divided by*

**The denominator:** Total revenue (See page 70, net sales).

### Operating expenditure (OPEX)

**Numerator:** Total operating expenditure, excluding external timber transactions, transport expenditure, natural tourism expenditure, forest conservation costs<sup>1)</sup>, costs for the sapling operations, marketing expenditure, administrative, logistic and market organisation expenditure, expenditure on support units besides the forestry support unit, and changes in stocks and depreciation.

*Divided by*

**The denominator:** Total operating expenditure.

### Capital expenditure (CAPEX)

**Numerator:** Total investments in new property acquisitions, production machinery and equipment, fossil-free boilers, new seedlings in sapling operations and changes in leasing liabilities, investments in forest conservation<sup>1)</sup>.

*Divided by*

**The denominator:** Total capital expenditure.

<sup>1)</sup> For soil scarification, planting, beeting and sowing.

<sup>2)</sup> See Table 2 for a representation of the proportion of sales that is taxonomy compatible.

<sup>3)</sup> See Table 3 for a presentation for the proportion of operating expenditure (OPEX) that is taxonomy compatible.

<sup>4)</sup> See Table 4 for a representation of the proportion of capital expenditure (CAPEX) that is taxonomy compatible.

# Taxonomy tables

Table 2. Turnover<sup>1)</sup>

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022	Category (enabling activity)	Category (transitional activity)				
Economic activities	Code	Turnover	Proportion of Turnover, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity								
		MSEK	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T				
A. TAXONOMY-ELIGIBLE ACTIVITIES																							
A.1. Environmentally sustainable activities (Taxonomy-aligned)																							
Forest management	CCM 1.3	3,935	50%	J	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	50%	–	–				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,935	50%	50%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	50%						
Of which Enabling		–	–	–						–	–	–	–	–	–	–	–	E					
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																							
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL														
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	–	–	–	–	–	–														0%
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		3,935	50%	50%	–	–	–	–	–														50%
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																							
Turnover of Taxonomy-non-eligible activities		3,928	50%																				
TOTAL		7,863	100%																				

<sup>1)</sup> Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.



Table 3. OpEx<sup>1)</sup>

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	OpEx	Proportion of OpEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		MSEK	%	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	2,057	32%	J	N/EL	N/EL	N/EL	N/EL	N/EL	–	Y	Y	Y	Y	Y	Y	28%	–	–
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		2,057	32%	32%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	28%		
Of which Enabling		–	–	–						–	–	–	–	–	–	–	–	E	
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	–	–	–	–	–	–							0%			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		2,057	32%	32%	–	–	–	–	–							28%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		4,470	68%																
TOTAL		6,527	100%																

<sup>1)</sup> Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023.

Sveaskog has issued two green bonds in 2023 with a total value of SEK 2,250 million. Of the issuance amount, SEK 1,378 million is allocated to operating expenses (OPEX) and SEK 872 million is allocated to capital expenses (CAPEX). In accordance with the framework, Sveaskog can use the issuances retroactively, i.e., for taxonomy-compliant Capex or Opex in previous years. The issued bonds in 2023 have been used for taxonomy-related operating expenses and capital expenses in both 2022 and 2023. In total for 2022, Sveaskog had SEK 1,838 million in operating expenses and SEK 617 million in capital expenses that are taxonomy-compliant. In total for 2023, Sveaskog had SEK 2,057 million in operating expenses and SEK 609 million in capital expenses that are taxonomy-compliant.

Table 4. CapEx<sup>1)</sup>

Financial year 2023	2023			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)						Minimum safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, year 2022	Category (enabling activity)	Category (transitional activity)
Economic activities	Code	CapEx	Proportion of CapEx, year 2023	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity				
		Currency	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Forest management	CCM 1.3	609	91%	J	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	95%	–	–
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		609	91%	91%	–	–	–	–	–	–	Y	Y	Y	Y	Y	Y	95%		
Of which Enabling		–	–	–						–	–	–	–	–	–	–	E		
Of which Transitional		–	–	–						–	–	–	–	–	–	–	–		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM 7.7	24	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL							0%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		24	4%	–	–	–	–	–	–							0%			
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		633	95%	95%	–	–	–	–	–							95%			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		40	5%																
TOTAL		673	100%																

<sup>1)</sup> Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year N.

Sveaskog has issued two green bonds in 2023 with a total value of SEK 2,250 million. Of the issuance amount, SEK 1,378 million is allocated to operating expenses (OPEX) and SEK 872 million is allocated to capital expenses (CAPEX). In accordance with the framework, Sveaskog can use the issuances retroactively, i.e., for taxonomy-compliant Capex or Opex in previous years. The issued bonds in 2023 have been used for taxonomy-related operating expenses and capital expenses in both 2022 and 2023. In total for 2022, Sveaskog had SEK 1,838 million in operating expenses and SEK 617 million in capital expenses that are taxonomy-compliant. In total for 2023, Sveaskog had SEK 2,057 million in operating expenses and SEK 609 million in capital expenses that are taxonomy-compliant.

# Financial information

Financial performance	→
Appropriation of earnings	→
Multi-year summary	→
Consolidated financial statements	→
Parent company financial statements	→
Notes	→
Alternative KPIs and definitions	→
Declaration and signatures	→
Auditor's report	→



# Financial performance

## Net sales

Net sales increased by 1 per cent to MSEK 7,863 (7,760). Prices of wood raw materials increased by an average of 14 per cent, while total delivery volumes decreased by 13 per cent.

Sales of wood raw materials amounted to 8,930 thousand cubic metres (m<sup>3</sup>sub) (10,360).

## Earnings

Operating profit increased by 5 per cent and amounted to MSEK 1,429 (1,366).

Higher timber prices have been offset by lower volumes from Sveaskog's own forest, as well as increased costs for felling and forest management.

Capital gains from the sale of property amounted to MSEK 30 (26). Share of profits in associates amounted to MSEK –60 (574). The net change in the carrying amount of biological assets amounted to MSEK 3,376 (499), where the increase was mainly attributable to changed price assumptions. After changes in value in biological assets, the operating profit amounted to MSEK 4,775 (2,465). Net financial items during the period were MSEK –226 (–126).

Profit before tax amounted to MSEK 4,549 (2,339). Tax amounted to MSEK –933 (–360). The profit for the year for continuing operations increased to MSEK 3,616 (1,979) and the profit for the year after operation dividends increased to MSEK 3,562 (1,979).

## Balance sheet and cash flow

Cash flow from operating activities during the period was MSEK 987 (1,065). The decrease is mainly due to changes in working capital. Investments in non-current assets, mainly forest properties, forest management and forest machines, amounted to MSEK 634 (298) and investments in shares amounted to MSEK 7 (0). Sales of non-current assets, mainly forest properties, amounted to MSEK 117 (109).

Dividends from associates were received in an amount of MSEK 266 (340), sales of shares were received in an amount of MSEK 0 (2) and interest-bearing receivables increased by MSEK 57 (10). A cash dividend of MSEK 1,150 (1,300) was paid to the owner.. Cash flow was also affected by MSEK 331 related to cash and cash equivalents in the dividend of the subsidiary Ersättningsmark i Sverige 2 AB (see comment under "Multi-year summary").

Sveaskog's net interest-bearing debt at 31 December was MSEK 8,253 (7,433). At the end of the period, the loan portfolio consisted mainly of loans issued under Sveaskog's MTN programme and a Swedish commercial paper programme. The loan volume under the Swedish commercial paper programme amounted to MSEK 1,500 (1,550), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 31 December was MSEK 6,190 (5,540), of which MSEK 5,550 (4,400) refers to green bonds. The

lowest average net fixed interest period during the period was around 24 months (24).

The net debt/equity ratio was 0.11 (0.11).

The interest coverage ratio was 5.3 (14.5) and the gross borrowing interest rate was 2.95 per cent (1.19).

## The parent company

Sveaskog AB (publ), which is 100 per cent owned by the Swedish state, owns and manages forest properties and shares in subsidiaries and is responsible for Group-wide financing. For Sveaskog AB (publ.), operating income for the full year totalled MSEK 44 (45), of which MSEK 3 (5) was accounted for by capital gains from sales of forest land. The loss after financial items amounted to MSEK 344 (161). The parent company's costs consist mainly of interest expenses.

The company has no employees. Operating activities are carried out primarily in the subsidiary Sveaskog Förvaltnings AB.

## Setra Group AB

Sveaskog owns 50 per cent of the shares in the wood products company Setra Group AB, which is classified as an associated company. The share of profit/loss in the associate is recognised in the consolidated income statement. Net sales for the full year amounted to MSEK 5,262 (6,364). The operating loss amounted to MSEK 237 (profit: 1,206). The decrease is attributable to lower sales due to a

weaker market trend. Sveaskog's share of earnings in the company adjusted for intra-group profits decreased by MSEK 565 to a loss of MSEK 97 (profit: 468). Sveaskog's share of Setra's other comprehensive income amounted to MSEK –4 (26).

## SunPine AB

Sveaskog owns 25.1 per cent of the shares of the biorefinery SunPine AB. The share of profit/loss in the associate is recognised in the consolidated income statement. Net sales for the full year amounted to MSEK 3,974 (3,065). The operating profit amounted to MSEK 157 (479). The deterioration in earnings is primarily an effect of an increased fluctuation in the oil market. Sveaskog's share of the company's profit decreased by 65 per cent to MSEK 33 (93).

## ShoreLink AB

Sveaskog owns 24.1 per cent of the shares of the logistics and transport firm ShoreLink AB. The Group's income statement for January–December 2023 reports the share of the associate's profit/loss for the period December 2022 to November 2023, while the figures for the previous year cover the period from December 2021 to November 2022. Net sales for this period amounted to MSEK 329 (353) and the operating profit for the same period amounted to MSEK 15 (66). Sveaskog's share of the company's profit or loss amounted to MSEK 5 (13).

## Future development

In order to better face the constant changes that are taking place in forestry, Sveaskog decided on a new vision in 2023. In 2022, new financial targets were chosen. The changes are a step in Sveaskog's future development. The development of forestry is very much about testing and evaluating methods. Sveaskog's forestry activities will continue to develop and change. Sveaskog wants to be the world leader in sustainable value creation in the forest.

## Research and development

Sveaskog's work on innovation and development projects has a clear focus. Sveaskog participates in projects to increase the productivity of forestry and develop new uses of wood raw materials and forest land. In collaboration with customers, the company conducts development to maximise the value of the wood raw material, especially sawlogs.

### Condensed income statement

MSEK	Full year 2023	Full year 2022
Net sales	7,863	7,760
Operating profit from continuing operations	1,429	1,366
Share of profit/loss in associates	-60	574
Change in value in biological assets	3,376	499
Operating profit	4,775	2,465
Profit/loss before tax	4,549	2,339
Profit/loss from continuing operations	3,616	1,979
Profit/loss from operations subject to dividend	-54	-
Profit/loss for the period/year	3,562	1,979

### Condensed cash flow statement

MSEK	Full year 2023	Full year 2022
Cash flow from operating activities before changes in working capital	1,100	1,010
Cash flow from operating activities	987	1,065
Cash flow from investing activities	-315	143
Cash flow from financing activities	-933	-1,580
Cash flow for the year	-261	-372

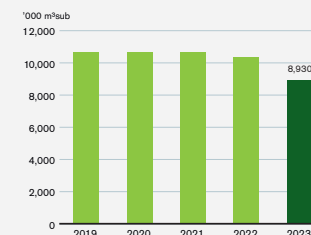
### Change in operating profit, MSEK

MSEK	
2022	1,366
Price, own wood raw materials	580
Volume and stock changes, own wood raw materials	-311
Unit cost felling	-109
Forest management and nature conservation	-47
Provisions	-22
Other	-28
2023	1,429

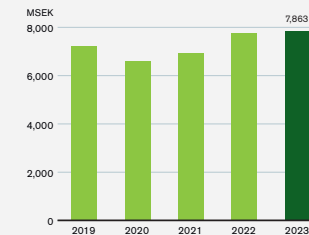
### Change in net sales

MSEK	
2022	7,760
Price, wood raw materials	1,104
Delivery volume, wood raw materials	-1,030
Concessions, seedlings and other sales	29
2023	7,863

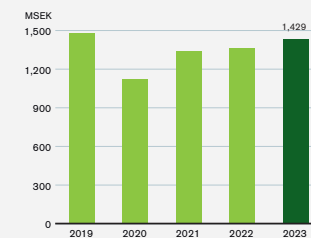
### TOTAL DELIVERY VOLUME



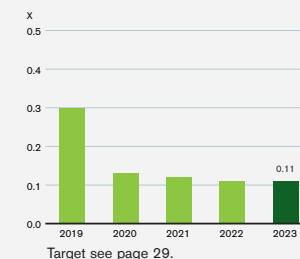
### NET SALES



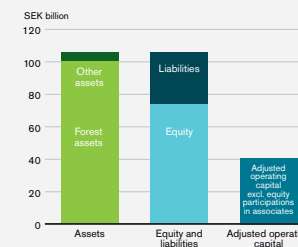
### OPERATING PROFIT FROM CONTINUING OPERATIONS



### NET DEBT/EQUITY RATIO

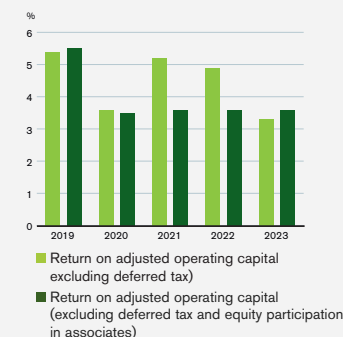


### ASSETS, EQUITY AND LIABILITIES



Most of the assets consist of growing forests that are valued according to international financial reporting standards, IFRS.

### RETURN ON ADJUSTED OPERATING CAPITAL



Target see page 29.

# Remuneration for senior executives

The 2023 Annual General Meeting decided on the following guidelines for the remuneration of senior executives. The Board also proposes that equivalent guidelines be adopted by the 2024 Annual General Meeting with adjustments resulting from the company's new vision, business concept and strategy.

## Guidelines for terms of employment for senior executives

These guidelines cover senior executives. Senior executives are members of the Board of Directors, the CEO and other members of company management and are designed in accordance with the Government's principles for remuneration and other terms of employment for senior executives in State-owned companies. The guidelines shall be applied to remuneration agreed upon, and changes made to already agreed remuneration, after the adoption of the guidelines by the Annual General Meeting on 26 April 2023. The guidelines do not include remuneration decided by the General Meeting.

The company also applies the rules in the Swedish Companies Act and the Annual Accounts Act that apply to public companies and stock market companies regarding the recognition of remuneration of senior executives.

Remuneration of senior executives is presented in Note 8 of the annual report.

## The guidelines promote the company's long-term strategic focus, interests and sustainability

Sveaskog's vision "*Leading in sustainable forestry*" communicates that Sveaskog takes on the challenge of seriously combining the economic, ecological and social aspects of its forestry in order to meet all the different demands and expectations that are placed on the forest today.

The overall business concept "*We develop all the values of the forest*" communicates Sveaskog's ambition to contribute to the multi-use of the forest in order to create added value from it. The promise to customers "*We use the forest and deliver raw materials in a responsible way that makes it easier for our customers to achieve their sustainability goals*" means that Sveaskog contributes to sustainable development throughout the value chain.

The three overall strategic objectives "Increased growth", "Increased timber harvesting" and "Increased biodiversity" are long-

*term and concrete. We have identified six success factors to achieve our strategic objectives as follows:*

- We develop strong partnerships, collaborative arrangements and cooperation
- We focus our investments on the forest and forestry
- We have an efficient and gentle delivery from seed to customer
- We increase our ecological values on our land holdings
- We build a strong corporate culture that attracts the right skills and gives our employees the conditions to succeed
- We build acceptance and confidence in our forestry through increased transparency.

For further information on the company's long-term strategic direction, see <https://www.sveaskog.se>.

A successful implementation of the company's long-term strategic direction and safeguarding the company's interests, including its sustainability, requires the company to be able to recruit and retain qualified employees. This requires the company to be able to offer market-based remuneration. These guidelines enable senior executives to be offered a competitive and yet moderate total remuneration.

## Salary and other remuneration of the CEO and other senior executives

The remuneration shall be competitive, capped, suitable and non-market-leading in relation to comparable companies. The remuneration of senior executives shall consist of the following components: fixed cash salary, benefits and occupational pension benefits. Variable salary, for example in the form of an incentive programme, should not occur for senior executives. The total remuneration shall correspond to the individual's performance, responsibility and experience. The total remuneration shall be well-balanced, characterised by moderation and market conditions and contribute to good ethics and corporate culture. This shall also guide the total remuneration of other employees. The salary shall be revised each year.

The offered salary exchange shall be cost neutral for the company.

Premiums for old-age and survivors' pensions shall be defined contribution and shall not exceed 30 per cent of the fixed salary, unless these benefits comply with the applied collective pension plan, i.e. the ITP plan. In such a case, the contribution is determined by the terms of the collective pension scheme. Any expansion of the collective pension plan above the salary level covered by the plan shall

be defined contribution with a fee of a maximum of 30 per cent of the excess salary. The retirement age shall not be less than 65 years.

Benefits may consist of health insurance, a car benefit or an annual public transport pass. Such benefits may not exceed 5 per cent of the fixed annual cash salary. Compensation for incapacity to work due to illness must comply with the conditions of sick pay and disability pension in collective agreements. Any extension of collective health insurance above the wage level covered by collective agreements shall correspond to market practice.

It should be avoided that a Board member or deputy is hired as a consultant in the company and thus receive consulting fees in addition to the Board fee. If this happens nonetheless, the assignment shall be examined by the Board of Directors in each case, be clearly separable from the ordinary Board assignment, be limited in time and be regulated in a written agreement between the company and the Board member. The remuneration for such assignments shall be in accordance with these guidelines.

Upon termination by the company, the notice period shall not exceed six months. In employment contracts concluded after 22 December 2016, the severance pay may not exceed 12 monthly salaries.

Severance pay shall be paid on a monthly basis and shall cover only the fixed salary without supplement for pension and other benefits. In the event of new employment, other paid assignments or income from business activities, the severance pay from Sveaskog shall be reduced by an amount equivalent to the new income during the period when termination pay and severance pay are paid. Severance pay is never paid beyond the age of 65. In the event of the employee's resignation, no severance pay shall be paid.

## Salaries and terms of employment of other employees

Preparation of terms of employment is handled as follows. In preparing and applying these guidelines, the Remuneration Committee and the Board take into account the remuneration and terms of employment of the company's other employees, which in turn are affected by general market conditions and internal factors affecting the company's goal attainment. The Remuneration Committee regularly consults the CEO and the HR Director to keep themselves informed of the other employees' salaries and other terms.

As regards the CEO, the Board of Directors shall decide on a fixed salary and other terms of employment. The decision shall be recorded in the minutes. For other senior executives, the CEO decides on terms of employment in consultation with the Remuneration Committee, which shall follow the guidelines decided by the General Meeting. The CEO shall annually inform the Board of

Directors of the current remuneration and terms of employment of the other senior executives.

Before deciding on the remuneration of an individual senior executive, there must be written documentation showing the company's total cost. The decision shall be recorded in the minutes.

The Board of Directors shall ensure that the remuneration complies with these and the Government's guidelines by comparing terms for equivalent State-owned and private companies comparable to the company in terms of size, complexity and sales. Follow-ups shall also be carried out on a regular basis through the wage comparison of independent market-based salary consultants.

## Decision-making process for defining, revising and implementing the guidelines

The Board of Directors has set up a Remuneration Committee. The members of the Remuneration Committee are independent of the company and the management. The committee's tasks include preparing the Board's decisions on proposed guidelines for the remuneration of senior executives. The Board of Directors shall annually prepare proposals for new guidelines and submit the proposal for a resolution at the Annual General Meeting.

The Remuneration Committee shall follow and evaluate the application of guidelines for the remuneration of senior executives as well as regarding remuneration structures and remuneration levels in the company.

The CEO or other persons in company management are not present at the Remuneration Committee and the Board's treatment of and decisions on remuneration-related matters, in so far as they are concerned by the issues.

## Deviation from the guidelines

The Board of Directors may decide to temporarily deviate from the guidelines in part or in whole if in an individual case there are special reasons to do so and a deviation is necessary to meet the company's long-term interests, including its sustainability, or to ensure the company's financial viability. It is part of the Remuneration Committee's tasks to prepare the Board's decision on remuneration issues, which also includes the preparation of decisions to depart from the guidelines, which are subsequently decided by the Board. In such a case, the Board of Directors shall report the deviation and the reasons for it.

## Subsidiaries

These guidelines shall also apply in all subsidiaries and be approved by the Annual General Meeting of the respective subsidiaries.



# Appropriation of earnings

## Sveaskog AB (publ)

### The Board's opinion in accordance with Chapter 18, Section 4 of the Swedish Companies Act

Following the Board's proposed appropriation of earnings, the Board of Sveaskog AB (publ) hereby issues the following opinion.

According to current financial targets, the regular dividend shall over the long term represent 70–100 per cent of consolidated earnings after tax excluding non-cash changes in the value of Sveaskog's own forests after tax and the share of profit or loss from associated companies, as well as 100 per cent of the dividends received by the company in the previous year from the associated companies. –The dividend is paid on condition that the post-dividend capital structure target falls within the target range and taking into account the Group's strategy and investment needs.

The Board of Directors proposes that the dividend for 2023 be set at a total of SEK 1,207,000,000, corresponding to SEK 10.20 per share. The dividend, which represents 100 per cent of the dividend base, is proposed to be executed by cash dividend.

Provided that the 2024 Annual General Meeting resolves in accordance with the Board's proposed appropriation of earnings, SEK 12,790,534,787 will be carried forward. Full coverage is available for the company's restricted equity after the proposed dividend.

The nature and scope of the business are presented in the Articles of Association and the annual financial statements submitted. The activities of the company and the Group do not entail risks other than those that occur or can be assumed to occur in the industry or the risks associated with the pursuit of business activities. The company's and the Group's cyclical dependency does not differ from what otherwise exists in the industry. The Board of Directors considers that, after the proposed dividend, the company will have sufficient restricted equity in relation to the size of the business.

The Board of Directors has taken into account the consolidation needs of the company and the Group through a comprehensive assessment of the company's and the Group's financial position and the ability to meet its commitments in the long term. The company's financial situation is presented in the annual report. This shows that the Group's net debt/equity ratio is 0.11. Sveaskog's set target for the net debt/equity ratio is 0.05–0.30. Accordingly, the Group's financial position is strong.

The proposed dividend does not compromise the company's ability to make the investments deemed necessary. The company has financial resources to cope with unexpected events and temporary variations in payment flows to a reasonable extent. The company's financial position does not give rise to any other assessment than that the company can continue to operate and that the company is expected to fulfil its obligations in the short and long term.

The Board of Directors has taken into account the company's and the Group's position in other respects. In doing so, the Board of Directors has taken into account all known circumstances that may have an impact on the company's financial position and have not been taken into account in the assessment of the company's consolidation needs and liquidity. The conditions taken into account by the Board include events and circumstances reported by the company in the administration report, including those relating to dates after the financial year 2023.

In reference to the above, the Board of Directors considers that the dividend is justifiable in view of the requirements that the nature, scope and risks of the operations impose on the size of the company's and the Group's equity, as well as the consolidation needs, liquidity and position of the company and the Group in general.

### Proposed appropriation of earnings, SEK

Unappropriated earnings at the disposal of the Annual General Meeting:

SEK	
Retained earnings	13,738,058,586
Profit for the year	259,476,201
<b>Total</b>	<b>13,997,534,787</b>

The Board of Directors proposes that the profits be appropriated as follows:

SEK	
Paid to the shareholder in dividend	1,207,000,000
Carried forward to the next year	12,790,534,787
<b>Total</b>	<b>13,997,534,787</b>

# Multi-year summary<sup>1)</sup>

Group	2023	2022	2021	2020	2019
<b>Income statements, MSEK</b>					
Net sales	7,863	7,760	6,920	6,597	7,209
Other operating income	93	91	140	101	109
Operating expenses	-6,366	-6,332	-5,572	-5,429	-5,690
Depreciation/amortisation and impairment	-161	-153	-147	-149	-145
Operating profit from continuing operations	1,429	1,366	1,341	1,120	1,483
Capital gains on property sales	30	26	30	163	185
Share of profit/loss in associates	-60	574	667	57	26
Operating profit before change in value in biological assets	1,399	1,966	2,038	1,340	1,694
Change in value in biological assets	3,376	499	-196	12,481	399
Operating profit	4,775	2,465	1,842	13,821	2,093
Net financial income/expense	-226	-126	-133	-153	-130
Profit/loss before tax	4,549	2,339	1,709	13,668	1,963
Tax	-933	-360	-215	-2,801	-405
<b>Profit/loss from continuing operations</b>	<b>3,616</b>	<b>1,979</b>	<b>1,494</b>	<b>10,867</b>	<b>1,558</b>
Profit/loss from operations subject to dividend	-54	-	-	-	-
<b>Profit for the year</b>	<b>3,562</b>	<b>1,979</b>	<b>1,494</b>	<b>10,867</b>	<b>1,558</b>
<b>Statement of comprehensive income, MSEK</b>					
Profit for the year	3,562	1,979	1,494	10,867	1,558
Total other comprehensive income after tax for continuing operations	6,120	2,997	2,379	26,152	-29
Total other comprehensive income after tax for operations subject to dividend	72	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>9,754</b>	<b>4,976</b>	<b>3,873</b>	<b>37,019</b>	<b>1,529</b>
<b>Balance sheets, MSEK</b>					
Non-current assets, non-interest-bearing <sup>2)</sup>	102,604	91,411	87,751	84,149	38,164
Non-current receivables, interest-bearing	72	15	5	5	4
Inventories	693	649	690	708	576
Current receivables, non-interest bearing	2,052	1,879	1,821	1,878	1,691
Cash and cash equivalents and interest-bearing receivables	538	799	1,171	1,231	1,114
Assets held for dividend	-	627	-	-	-
<b>Total assets</b>	<b>105,959</b>	<b>95,380</b>	<b>91,438</b>	<b>87,971</b>	<b>41,549</b>
Equity	73,808	66,192	62,516	59,493	23,574
Non-interest-bearing liabilities	23,288	20,941	20,308	19,629	9,708
Interest-bearing liabilities	8,863	8,247	8,614	8,849	8,267
Liabilities attributable to assets held for dividend	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>105,959</b>	<b>95,380</b>	<b>91,438</b>	<b>87,971</b>	<b>41,549</b>

Group	2023	2022	2021	2020	2019
<b>Adjusted operating capital (excluding deferred tax)</b>	<b>42,179</b>	<b>39,810</b>	<b>38,621</b>	<b>38,266</b>	<b>28,013</b>
<b>Adjusted operating capital excluding equity participation in associates (and deferred tax)</b>	<b>40,849</b>	<b>38,149</b>	<b>37,220</b>	<b>37,498</b>	<b>27,300</b>
<b>Cash flow</b>					
Cash flow from operating activities	987	1,065	1,033	623	1,108
Cash flow from investing activities	-315	143	-21	72	16
Cash flow from financing activities	-933	-1,580	-1,072	-578	-857
<b>Cash flow for the year</b>	<b>-261</b>	<b>-372</b>	<b>-60</b>	<b>117</b>	<b>267</b>
<b>Net interest-bearing debt</b>	<b>8,253</b>	<b>7,433</b>	<b>7,438</b>	<b>7,613</b>	<b>7,149</b>
<b>KPIs</b>					
Net debt/equity ratio, times	0.11	0.11	0.12	0.13	0.30
Return on adjusted operating capital (excl. deferred tax), % <sup>3)</sup>	3.3	4.9	5.2	3.6	5.2
Return on adjusted operating capital (excl. deferred tax and equity participation in associates), % <sup>3)</sup>	3.6	3.6	3.6	3.5	5.5
Operating margin, %	61	32	27	209	29
Gross margin, %	64	31	19	211	31
Return on equity, %	5.1	3.1	2.4	26.2	6.7
Capital turnover rate, times	0.10	0.11	0.10	0.13	0.24
Interest coverage ratio, times	5.3	14.5	15.1	7.6	11.6
Equity ratio, %	70	69	68	68	57
<b>Dividend</b>					
Approved dividend total, MSEK <sup>4) 5)</sup>	1,207 <sup>4)</sup>	1,511 <sup>5)</sup>	1,300	850	1,100
<b>Investments, MSEK</b>					
Business acquisitions and investments in shares	7	0	6	7	5
Other investments	634	298	230	264	445
<b>Staff</b>					
Number of employees	804	739	711	713	682
Average number of employees	880	810	825	827	807
Expensed salaries and other remuneration, MSEK	456	412	409	398	385

<sup>1)</sup> Sveaskog presents the company's alternative performance measures in accordance with the decisions of the European Securities and Markets Authority (ESMA) on pages 115–117.

<sup>2)</sup> As of 2020, Sveaskog has adapted the method for accounting and valuation of forest assets so that forest land is recognised according to the revaluation model. Before 2020, forest land was recognised at cost. Also see Note 14.

<sup>3)</sup> Sveaskog has new financial targets since August 2022. Adjusted operating capital excludes the land value and the deferred tax payable on it.

<sup>4)</sup> For 2023, the proposed dividend is indicated.

<sup>5)</sup> The dividend amounts to MSEK 1,511, of which MSEK 361 relates to shares in Ersättningsmark i Sverige 2 AB. In the Group, the dividend impacted the Group's equity by MSEK 2,138 and the Group's cash flow by MSEK 1,481 (1150+331).

# Consolidated financial statements

## Consolidated income statement

MSEK	Note	2023	2022
Net sales	4, 7	7,863	7,760
Other operating income	5	93	91
Raw materials and consumables		-2,678	-2,548
Change in inventories		149	52
Other external expenses	6, 7	-3,186	-3,233
Staff costs	8	-651	-603
Depreciation/amortisation and impairment	7, 9	-161	-153
<b>Operating profit from continuing operations</b>		<b>1,429</b>	<b>1,366</b>
Capital gains on property sales	14	30	26
Share of profit/loss in associates	16	-60	574
<b>Operating profit before change in value in biological assets</b>		<b>1,399</b>	<b>1,966</b>
Change in value in biological assets	14	3,376	499
<b>Operating profit</b>		<b>4,775</b>	<b>2,465</b>
Financial income	10	39	8
Financial expenses	10	-265	-134
Net financial income/expense		-226	-126
<b>Profit/loss before tax</b>		<b>4,549</b>	<b>2,339</b>
Tax	11	-933	-360
<b>Profit/loss from continuing operations</b>		<b>3,616</b>	<b>1,979</b>
Profit/loss from operations subject to dividend		-54	-
<b>PROFIT FOR THE YEAR</b>		<b>3,562</b>	<b>1,979</b>
Earnings per share			
– before dilution, SEK		30.08	16.71
– after dilution, SEK		30.08	16.71

## Statement of comprehensive income

MSEK	2023	2022
<b>Profit for the year</b>	<b>3,562</b>	<b>1,979</b>
<b>Other comprehensive income</b>		
<i>Components that will not be reversed in profit or loss</i>		
Change in value in land assets	7,840	3,605
Tax on change in value in land assets	-1,609	-743
Actuarial gains/losses relating to pensions	-14	66
Tax on actuarial gains/losses	3	-14
<i>Components that may be reversed in profit or loss</i>		
Translation differences	-1	5
Other comprehensive income from associates	-5	32
Tax on other comprehensive income from associates	1	-6
Change in fair value of cash flow hedges for the year	-22	65
Changes in the fair value of cash flow hedges transferred to profit or loss for the year	-6	1
Tax attributable to cash flow hedges	6	-14
<b>Total other comprehensive income for the year for remaining operations, net after tax</b>	<b>6,193</b>	<b>2,997</b>
Change in value of land assets for operations distributed as dividend	18	-
Tax on change in value in land assets distributed as dividend	-19	-
Other comprehensive income from operations subject to dividend	-1	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>9,754</b>	<b>4,976</b>



## Consolidated balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	13	149	157
Forest assets	14	100,221	88,862
– of which land assets		49,548	41,689
– of which biological assets		50,673	47,173
Other property, plant and equipment	15	704	594
Right-of-use assets	7	167	127
Participations in associates	16	1,331	1,661
Other non-current securities holdings	16	16	10
Non-current receivables	17	72	15
Deferred tax assets	11	16	0
<b>Total non-current assets</b>		<b>102,676</b>	<b>91,426</b>
<b>Current assets</b>			
Inventories	18	693	649
Tax assets	11	82	67
Trade receivables	19	1,581	1,355
Other receivables	20	389	457
Cash and cash equivalents	22	538	799
Assets held for dividend <sup>1)</sup>	14, 15	–	627
<b>Total current assets</b>		<b>3,283</b>	<b>3,954</b>
<b>TOTAL ASSETS</b>		<b>105,959</b>	<b>95,380</b>

<sup>1)</sup> Assets held for dividend refer to the consolidated value of Ersättningsmark i Sverige 2 AB.

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	21	118	118
Reserves		36,850	31,005
Retained earnings including profit for the year		36,840	35,069
<b>Total equity</b>		<b>73,808</b>	<b>66,192</b>
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	22, 28	5,643	4,732
Lease liabilities, non-current	22, 28	128	90
Pension provisions	23	202	209
Other provisions for pensions and similar commitments	23	3	5
Non-current liabilities		6	6
Other provisions	26	281	242
Deferred tax liabilities	11	21,392	19,103
<b>Total non-current liabilities</b>		<b>27,655</b>	<b>24,387</b>
<b>Current liabilities</b>			
Interest-bearing current liabilities	22, 23, 28	2,815	3,138
Leasing liabilities, current	22, 28	46	40
Tax liabilities		110	98
Trade payables	24	1,090	1,039
Other liabilities	25	382	306
Provisions, current component	23, 26	53	56
Liabilities attributable to assets held for dividend	11	–	124
<b>Total current liabilities</b>		<b>4,496</b>	<b>4,801</b>
<b>Total liabilities</b>		<b>32,151</b>	<b>29,188</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>105,959</b>	<b>95,380</b>

## Consolidated statement of changes in equity

Equity attributable to parent company shareholders

MSEK	Share capital	Revaluation reserve	Hedging reserve	Translation reserve	Retained earnings	Total
<b>Opening equity, 1 January 2022</b>	<b>118</b>	<b>28,509</b>	<b>-9</b>	<b>-2</b>	<b>33,900</b>	<b>62,516</b>
Profit for the year	-	-	-	-	1,979	1,979
Other comprehensive income		2,430	71	6	490	2,997
Dividend paid according to resolution of Annual General Meeting on 27 April 2022	-		-	-	-1,300	-1,300
<b>Closing equity, 31 December 2022</b>	<b>118</b>	<b>30,939</b>	<b>62</b>	<b>4</b>	<b>35,069</b>	<b>66,192</b>
Profit for the year	-	-	-	-	3,562	3,562
Other comprehensive income for remaining operations		6,138	-27	-2	11	6,120
Other comprehensive income for operations distributed as dividend		72	-	-	-	72
Dividend paid according to resolution of Annual General Meeting on 26 April 2023	-	-	-	-	-1,150	-1,150
Group effect of dividend of subsidiaries resolved at the Extraordinary General Meeting on 13 December 2023	-	-337	-	-	-651	-988
<b>CLOSING EQUITY, 31 December 2023</b>	<b>118</b>	<b>36,812</b>	<b>35</b>	<b>2</b>	<b>36,841</b>	<b>73,808</b>

## Consolidated cash flow statement

MSEK	Note	2023	2022
<b>Operating activities</b>			
Operating profit		4,775	2,465
Non-cash items	12	-3,197	-1,168
Interest received, etc.		39	6
Interest paid		-255	-115
Tax paid		-262	-178
<b>Cash flow from operating activities before changes in working capital</b>		<b>1,100</b>	<b>1,010</b>
Change in working capital			
- Operating receivables		-197	-27
- Inventories		-54	14
- Operating liabilities, etc.		138	68
<b>Cash flow from operating activities</b>		<b>987</b>	<b>1,065</b>
<b>Investing activities</b>			
Investments in non-current assets		-634	-298
Investments in shares and participations		-7	-
Dividends from associates		266	340
Sale of non-current assets		117	109
Sale of shares and participations		0	2
Change in interest-bearing receivables		-57	-10
<b>Cash flow from investing activities</b>		<b>-315</b>	<b>143</b>
<b>Financing activities</b>			
Change in equity			
- Dividend (see comment under "Multi-year summary")		-1,481	-1,300
Change in interest-bearing liabilities			
- Borrowings		6,800	6,450
- Repayment of loans		-6,252	-6,730
<b>Cash flow from financing activities</b>	22	<b>-933</b>	<b>-1,580</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>-261</b>	<b>-372</b>
Cash and cash equivalents at the beginning of the year	22	799	1,171
Cash and cash equivalents at year-end	22	538	799

# Parent company financial statements

## Parent company income statement

MSEK	Note	2023	2022
<b>Operating income</b>			
Net sales	4, 7	40	40
Other operating income	5	4	5
<b>Total income</b>		<b>44</b>	<b>45</b>
<b>Operating expenses</b>			
Other external expenses	6, 7	0	-1
Staff costs	8	-2	-2
Depreciation according to plan	9	0	0
<b>Total expenses</b>		<b>-2</b>	<b>-3</b>
<b>Operating profit</b>		<b>42</b>	<b>42</b>
<b>Profit or loss from financial items</b>	10		
Other financial income		45	19
Other financial expenses		-431	-222
<b>Net financial income/expense</b>		<b>-386</b>	<b>-203</b>
<b>Profit/loss before appropriations and tax</b>		<b>-344</b>	<b>-161</b>
Group contributions received		865	390
Group contributions paid		-2	-
Provisions to untaxed reserves		-160	-76
<b>Profit/loss before tax</b>		<b>359</b>	<b>153</b>
Tax	11	-99	-47
<b>PROFIT FOR THE YEAR<sup>1)</sup></b>		<b>260</b>	<b>106</b>
Proposed dividend per share including dividend of subsidiary at Extraordinary General Meeting, SEK (2022 set dividend per share)		10.20	12.76

<sup>1)</sup> Same as Total comprehensive income for the year.

## Parent company balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>	15		
Forest properties		28	28
Buildings, other land and land improvements		8	9
<b>Total property, plant and equipment</b>		<b>36</b>	<b>37</b>
<i>Non-current financial assets</i>			
Shares and participations	16	24,934	24,984
Receivables from Group companies, interest-bearing	3, 22	400	499
<b>Total non-current financial assets</b>		<b>25,334</b>	<b>25,483</b>
<b>Total non-current assets</b>		<b>25,370</b>	<b>25,520</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Receivables from Group companies	3, 22	866	392
Tax assets		47	47
Other receivables	20	3	5
Receivables from Group companies, interest-bearing	3, 22	101	301
Cash and cash equivalents	22	0	0
<b>Total current assets</b>		<b>1,017</b>	<b>745</b>
<b>TOTAL ASSETS</b>		<b>26,387</b>	<b>26,265</b>

MSEK	Note	31 Dec 2023	31 Dec 2022
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	21	118	118
Statutory reserve		24	24
<b>Total restricted equity</b>		<b>142</b>	<b>142</b>
<i>Non-restricted equity</i>			
Retained earnings including profit for the year		13,998	15,249
<b>Total non-restricted equity</b>		<b>13,998</b>	<b>15,249</b>
<b>Total equity</b>		<b>14,140</b>	<b>15,391</b>
<b>Untaxed reserves</b>			
Tax allocation reserve		468	308
<b>Total untaxed reserves</b>		<b>468</b>	<b>308</b>
<b>Non-current liabilities</b>			
Interest-bearing non-current liabilities	22	5,643	4,732
<b>Total non-current liabilities</b>		<b>5,643</b>	<b>4,732</b>
<b>Current liabilities</b>			
Liabilities to Group companies, interest-bearing	3, 22	3,133	2,590
Other liabilities, interest-bearing	22	2,815	3,138
Liabilities to Group companies	3	2	0
Tax liabilities		99	47
Other liabilities	25	87	59
<b>Total current liabilities</b>		<b>6,136</b>	<b>5,834</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26,387</b>	<b>26,265</b>



## Parent company statement of changes in equity

MSEK	Share capital <sup>1)</sup>	Statutory reserve	Non-restricted equity	Total
<b>Opening equity, 1 January 2022</b>	<b>118</b>	<b>24</b>	<b>16,443</b>	<b>16,585</b>
Dividend paid according to resolution of Annual General Meeting on 27 April 2022	–	–	–1,300	–1,300
Profit for the year	–	–	106	106
<b>Equity, 31 December 2022</b>	<b>118</b>	<b>24</b>	<b>15,249</b>	<b>15,391</b>
Dividend paid according to resolution of Annual General Meeting on 26 April 2023	–	–	–1,150	–1,150
Dividend paid in accordance with resolution of the Extraordinary General Meeting of 13 December 2023 <sup>2)</sup> (see comments under "Multi-year summary")			–361	–361
Profit for the year	–	–	260	260
<b>CLOSING EQUITY, 31 December 2023</b>	<b>118</b>	<b>24</b>	<b>13,998</b>	<b>14,140</b>

<sup>1)</sup> The number of shares amounts to 118,373,034 Class A shares.

<sup>2)</sup> The carrying amount/share value of Ersättningsmark i Sverige 2 AB amounted to MSEK 361, which is distributed as dividend from the parent company.

Also see Note 21 Equity.

## Parent company cash flow statement

MSEK	Note	2023	2022
<b>Operating activities</b>			
Operating profit		41	42
Non-cash items	12	–3	–5
Interest and dividends received		46	4,018
Interest paid		–403	–200
Tax paid		–47	–62
<b>Cash flow from operating activities before changes in working capital</b>		<b>–366</b>	<b>3,793</b>
Change in working capital			
– Operating receivables		2	47
– Operating liabilities		0	0
<b>Cash flow from operating activities</b>		<b>–364</b>	<b>3,840</b>
<b>Investing activities</b>			
Investments in non-current assets		–311	–50
Sale of non-current assets		4	6
Settled interest-bearing receivables		300	400
<b>Cash flow from investing activities</b>		<b>–7</b>	<b>356</b>
<b>Financing activities</b>			
Dividend paid (see comment under "Multi-year summary")		–1,150	–1,300
Group contribution received		390	380
Group contribution paid		0	–1
Borrowings		6,800	6,450
Repayment of loans		–5,669	–9,725
<b>Cash flow from financing activities</b>	22	<b>371</b>	<b>–4,196</b>
<b>CASH FLOW FOR THE YEAR</b>		<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at the beginning of the year</b>	22	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at year-end</b>	22	<b>0</b>	<b>0</b>

# Notes

## NOTE 1 Accounting principles

### General information

Sveaskog AB and its subsidiaries (Sveaskog Group) sell timber, pulpwood and biofuel. Of the net sales, just over half come from Sveaskog's own forests and the rest from externally acquired wood raw materials. The Group's own forests consist of forests, 100 per cent of which are in Sweden.

The parent company is a public limited company with its registered office in Sweden. The address of the company's registered office is Torgatan 4, Kalix.

### Compliance with standards and law

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretation statements from the IFRS Interpretations Committee that have been approved by the European Commission for application within the EU. Furthermore, the Swedish Financial Reporting Board Recommendation RFR 1 – Supplementary accounting rules for groups, has been applied.

The parent company has prepared its annual report in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board Recommendation RFR 2, which means that the parent company in the annual accounts of the legal entity shall apply all of the EU-approved IFRSs and interpretive statements as far as possible within the framework of the Annual Accounts Act and taking into account the relationship between accounting and taxation. The recommendation sets out the exceptions and additions to be made to IFRSs.

The parent company applies the same accounting principles as the Group except in the cases listed below under the section "Parent company accounting principles".

### Valuation basis

Assets and liabilities are recognised at historical cost, except for certain financial assets, liabilities and biological assets that are valued at fair value.

### Assessments and estimates in the financial statements

When preparing the financial statements in accordance with IFRS, management is required to make assessments and estimates and make assumptions that affect the application of the accounting principles and the recognised amounts of assets, liabilities, income and expenses. The estimates and assumptions are based on historical experience and a number of other factors which, under the current circumstances, appear to be reasonable. The result of these estimates and assumptions is then used to assess the carrying

amounts of assets and liabilities that are not otherwise clearly identified from other sources. Actual outcomes may differ from these estimates and assessments.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period the change is made if it has only affected this period, or in the period the change is made and future periods if the change affects both the current period and future periods.

The assessments and estimates that, according to the management, are material for recognised amounts in the annual report and where there is a significant risk that future events and new information may change these assessments and estimates mainly include climate-related risks and their impact on the recognised value of the forest assets. A changing climate increases the risk of extreme weather such as drought, storms and torrential rain. It also leads to changes in rainfall, forest fires and increased incidence of pests that make forestry more difficult. For example, the risks may result in a raw material to be used for sawlogs becoming pulpwood instead. Sveaskog's forest holdings are spread across the country, which evens out weather and biological risks over time, and the company continuously takes these risks into account in its business plan, in investment decisions and conducts continuous impairment testing and takes measures to reduce risk exposure. In addition, Sveaskog broadens its revenue base and contributes to the development of new products to reduce exposure. Sveaskog has its forest holdings insured for damage caused by storm and fire.

Sveaskog's method for valuing forest assets as of 2020 is based on the fact that in recent years a number of major forest land transactions have been carried out which show that the value of larger forest assets per hectare or per cubic metre is generally at the same level as for smaller and medium-sized forest assets.

Total forest assets are divided into standing timber and land assets. Standing timber is recognised as a biological asset according to IAS 41 Agriculture and forestry. Land assets are recognised as property, plant and equipment in accordance with IAS 16 Property, plant and equipment item 31, the so-called revaluation model (see Note 14). In order to calculate the fair value of the biological assets – standing timber, the estimated cash flow from future income from timber extractions less felling costs has been discounted to a present value. Changes in the value of biological assets, calculated as net of changes due to harvest and unrealised changes in fair value, are recognised in the income statement. The carrying value of forest land is calculated as the difference between the total value of forest assets and biological assets. This value reflects future revenues from non-harvesting of now standing trees, such as letting for wind power, extracting from rock quarries, hunting leases, concession revenues and harvesting of future generations of trees and is reported through other comprehensive income.

In the valuation of the forest assets, a number of assumptions are made, which are presented in Note 14 Forest assets – biological assets and land assets.

The specified accounting principles have been applied consistently to all periods presented in the financial statements. The Group's accounting principles have been applied consistently to the reporting and consolidation of subsidiaries.

### New and amended standards applied by the Group from 1 January 2023

#### *Amendments to IAS 1 – Presentation of Financial Statements*

The change means that the disclosure of accounting principles shall reflect the accounting principles that are current and material for the company in question. Application shall be made no later than 1 January 2023 and Sveaskog shall apply this.

#### *Amendment to IAS 12*

The following standards and amendments are applied by the Group for the first time for the financial year beginning on 1 January 2023:

- OECD Pillar 2 Rules – Amendment to IAS 12

The changes mentioned above had no impact on the amounts recognised in either the comparison period or the current period.

As of 1 January 2024, the Group is covered by the OECD Model Rules and the EU Directive for Pillar 2. Legislation to this effect has been adopted in Sweden, where the parent company has its registered office, with effect from 1 January 2024. As the legislation on Pillar 2 had not entered into force on the balance sheet date, the Group has no potential current tax to account for in the annual financial statements of 2023. The Group further applies the exemption to report and disclose information about deferred tax assets and tax liabilities related to income taxes from Pillar 2, as specified in the amendments to IAS 12 above.

#### *IFRS 17 Insurance Contracts*

IFRS 17 Insurance Contracts has replaced IFRS 4. The Sveaskog Group has an internal insurance company, a so-called captive, which only issues insurance contracts within the Group, which are eliminated in the consolidated financial statements. The change thus has no impact on the Group or the parent company.

#### *New standards and interpretations that have not yet entered into force*

None of the new accounting rules adopted by the IASB that take effect in 2024 will have any material effect on Sveaskog.

### Segment reporting

The Group applies IFRS 8. The Group has one segment, named the Forest Business. The Forest Business is the consolidated segment of the Group with the purchase and sale of timber, pulpwood, wood chips and biofuel, as well as saplings and operations are reported

## Note 1, cont.

internally as one segment. The products of the forestry movement are considered to have similar economic characteristics and that they are delivered to the company's customers via the same type of distribution methods.

Sales per geographic market are presented in Note 4 and non-current assets per geographic market are presented in Note 15.

### Functional currency and date

The functional currency is Swedish kronor (SEK), which also constitutes the presentation currency. This means that the financial statements are presented in Swedish kronor. All amounts, unless otherwise stated, are rounded to the nearest millions of SEK (MSEK). Amounts in parentheses indicate the value of the previous year.

### Foreign currency

#### *Transactions, receivables and liabilities in foreign currency*

Translation differences arising from the translations are recognised in the income statement, partly in operating profit and partly in net financial items, depending on the nature of the underlying transactions. Non-monetary assets and liabilities recognised at historical cost are translated at the exchange rate at the time of the transaction.

Functional currency is the currency of the primary economic environment in which the participating companies operate. The companies in the group are parent companies and subsidiary companies. The functional currency and presentation currency are Swedish kronor for all companies except the subsidiary SIA Sveaskog Baltfor Ltd, which has the euro as its functional currency.

### Impairment losses

An impairment is recognised when the carrying amount of an asset or group of a company's assets exceeds the recoverable amount. An impairment is charged to the income statement and is proportional to the assets concerned.

### PARENT COMPANY

#### Parent company accounting principles

The following accounting principles for the parent company have been applied consistently to all periods presented in the parent company's financial statements. The parent company applies IFRS 9 in its entirety. The company has no hedge accounting.

The parent company applies the exemption from the application of IFRS 16. As a lessee, leasing fees are expensed straight-line over the lease term and thus rights-of-use and lease liabilities are not recognised on the balance sheet.

The parent company does not apply the revaluation model to its forest assets, but values them at cost in accordance with IAS 16 p30.

### Tax

In the parent company, the deferred tax liability attributable to the untaxed reserves is not recognised separately in accordance with RFR 2 Accounting for legal entities. The untaxed reserves are thus recognised in the gross amount on the balance sheet and in the gross amount in the income statement.

### Group contributions

The parent company applies the alternative rule in RFR 2 for the recognition of Group contributions and recognises both received and paid Group contributions as well as appropriations.

## NOTE 2

### Information on the parent company

Sveaskog AB (publ), corp. ID no. 556558-0031, with its register office in Kalix, is a limited company registered in Sweden. The company was wholly owned by the Swedish State at 31 December 2023. Sveaskog's head office has the following address:

SE-105 22 STOCKHOLM

Visiting address: Wallingatan 2

Sveaskog AB (Publ.) owns and manages forest properties and shares in subsidiaries and is responsible for Group-wide financing.

## NOTE 3

### Related-party transactions

Related party transactions are made on market terms. Related parties are the companies in which Sveaskog can exercise a controlling or significant influence over the operational and financial decisions that are made. Related parties also comprise the companies and natural persons that have the possibility to exercise a controlling or significant influence over Sveaskog's financial and operational decisions. Related party transactions also include defined-benefit and defined-contribution pension plans.

### Transactions with the State

Sveaskog is wholly owned by the Swedish state. The Sveaskog Group's products and services are offered to the State, central government authorities and State-owned companies in competition with other suppliers on commercial terms.

Similarly, Sveaskog AB and its Group companies purchase products and services from government agencies and companies at market prices and on commercial terms. The State, authorities or companies alone do not account for a significant share of the Sveaskog Group's net sales or earnings. Property deals with the Swedish Environmental Protection Agency totalled MSEK 0.3 (4) in 2023. The sales were made at market prices. In addition, Sveaskog has received compensation for encroachment when creating nature reserves on the company's properties for a total of MSEK 0.3 (1).

In 2022, the Swedish Environmental Protection Agency was commissioned by the Swedish Parliament to create the conditions for decisions on the formal protection of valuable forests by using unprotected productive forest land from Sveaskog as compensation land. For Sveaskog, this has meant that unprotected productive forest land has been transferred to a separate subsidiary, which was distributed as dividend to the State in December 2023.

No collateral or contingent liabilities were issued.

### Sveaskog AB's transactions with subsidiaries

No internal property transactions were made during 2023 (MSEK 4).

Sveaskog AB's invoicing to subsidiaries amounted to MSEK 40 (40) in 2023. No purchases were made from subsidiaries. Dividends from Sveaskog Förvaltnings AB and interest income from and interest expenses to Group companies are specified in Note 10 Financial income and expenses.

With regard to Sveaskog AB's receivables and liabilities to subsidiaries, please refer to the table Related-party transactions, Note 17 Non-current receivables, Note 19 Trade receivables and Note 22 Cash and cash equivalents, interest-bearing liabilities and other financial instruments. Shares in Group companies are specified in Note 16 Shares and participations.

Sveaskog AB has issued a guarantee for pensions to FPG for Sveaskog Förvaltnings AB. Otherwise, there is no collateral or contingent liabilities.

Transactions with associates

Transactions with associates primarily concern Setra Group AB. Sveaskog Förvaltnings AB owns 50 per cent of the shares and voting rights in Setra Group AB. Sales to Setra Group account for 14 per cent (15) of the total net sales of the Group. Purchases from Setra Group mainly concern residual products from Setra's sawmills (chips, shavings and bark) and account for 2 per cent (2) of the Group's total costs for raw materials and consumables.

Sveaskog Förvaltnings AB has two additional associates, SunPine AB, where shares and voting rights amount to 25.14 per cent, and ShoreLink AB, where shares and voting rights amount to 24.07 per cent. There was no trade with SunPine AB during 2023 or 2022, neither purchases nor sales. During the year, loading, unloading and timber transport services have been purchased from ShoreLink AB for a value of MSEK 11 (12).

Transactions with senior executives

There are no transactions or receivables/liabilities from Sveaskog to senior executives/ Board members beyond salary and reimbursements and that Board member Elisabet Salander Björklund purchased seedlings for a total value of SEK 100,000 in 2023. There are no pledged assets or contingent liabilities from Sveaskog to senior executives/ Board members.

For information about the remuneration of senior executives and Board members, please refer to Note 8.

Related-party transactions	Group		Parent company	
	2023	2022	2023	2022
MSEK				
Sales to related parties, subsidiaries			40	44
Purchases from related parties, subsidiaries	–	–	0	0
Receivables from related parties, Group companies (see Note 17 and 22)	–	–	1,367	1,192
Liabilities to related parties, Group companies (see Note 22)	–	–	3,135	2,590
Sales to related companies, associates	1,133	1,188	–	–
Purchases from related companies, associates	75	62	–	–
Receivables from related parties, associates (see Note 19)	235	116	–	–
Liabilities to related parties, associates (see Note 24)	7	1	–	–

## NOTE 4

### Revenue distribution

ACCOUNTING PRINCIPLES

Sawlogs

Revenue for the sale of sawlogs includes timber of spruce, pine and various deciduous trees such as beech, oak and birch. The customer gets control of the timber when it is delivered to the mill and measured. Revenue recognition takes place the same month as the measuring. In order to meet customers' needs, Sveaskog supplements the timber from its own forest with externally purchased volumes or by bartering timber with other forest owners. In the case of bartering, each subset of the barter is handled in a VIOL business chain and the equivalent is also done by the bartering partner. Bartering deals are thus handled in the same way as other transactions in terms of revenue recognition. VIOL is an industry-wide system for transactions and up-to-date information about completed deliveries throughout the chain between forest and industry. All measurements are collected and processed here.

Pulpwood and wood chips

Revenue for the sale of pulpwood and wood chips includes a wide range from Sveaskog's own forests, imports and purchases from other forest owners. The sales are made to the paper and pulp industry. The customer gains control of the pulpwood and wood chips when they are delivered to the mill and measured. Revenue recognition takes place the same month as the measuring.

Biofuel

Revenue for the sale of biofuel includes branches and peaks (GROT) as well as undersized trees and energy wood. The biofuel comes from clearingqw, thinning and regeneration felling in Sveaskog's own forests and through purchases from other forest owners. The proceeds are recognised when the biofuel has been delivered to the customer.

Svenska Skogsplantor

Within the framework of the brand Svenska Skogsplantor, seed and saplings are produced and sold. Svenska Skogsplantor also offers forest management services such as soil scarification and planting to external customers. The revenue is recognised when saplings or seed has been delivered to the customer or over the time as planting and soil scarification is carried out.



Note 4, cont.

Other

Other revenues from contracts with customers include forestry assignments, hunting fees for elk, fishing licences and locking operations, etc. The revenue is recognised over the time the assignment is carried out and when fees for hunting fees, locking operations, etc. are received.

Concessions (revenue from leases)

Revenue for concessions primarily includes concessions for hunting and fishing. Other concessions include rentals and leases for agriculture, peat, gravel and rock quarries, as well as for wind power and telecommunications equipment. The revenue is recognised over the useful lives.

Net sales by main goods and services

MSEK	Group		Parent company	
	2023	2022	2023	2022
Sawlogs	3,189	3,590	–	–
Pulpwood and woodchips	3,793	3,291	–	–
Biofuel	147	126	–	–
Seedlings	326	308	–	–
Other	166	243	–	–
<b>Total revenues from contracts with customers</b>	<b>7,621</b>	<b>7,558</b>	<b>0</b>	<b>0</b>
Of which IFRS 15 in net sales	7,618	7,555	–	–
Lease income	245	205	40	40
<b>Total net sales</b>	<b>7,863</b>	<b>7,760</b>	<b>40</b>	<b>40</b>
Of which IFRS 15 in other operating income	3	3	–	–
Capital gains, etc.	90	88	4	5
<b>Total other operating income</b>	<b>93</b>	<b>91</b>	<b>4</b>	<b>5</b>
Date of revenue recognition				
Goods and services transferred to customers on a specific date	7,508	7,445	–	–
Services transferred to customers over time	113	113	–	–

Sveaskog has unmet performance commitments for sales agreements with an original contract period of more than 12 months of MSEK 2,235 (3,672), of which MSEK 1,055 (1,430) is expected to be earned in the following year, MSEK 1,126 (2,161) within 2–5

years and MSEK 54 (81) in the subsequent years. Sveaskog applies the practical exception in IFRS 15.121a of not disclosing the remaining performance obligations for contracts with an original term of no more than one year. The obligations consist of contracted deliveries forward in time, mainly for pulpwood but also for biofuel and seedlings, where Sveaskog has undertaken to deliver a certain volume per year. The value of these obligations, which is based on current prices, is somewhat uncertain since the contracts consist of several delivery contracts where the price is renegotiated each year. Of the unsatisfied performance obligations of MSEK 3,672 (9,297) reported for last year, MSEK 1,430 (3,016) referred to 2023. During the reporting period, MSEK 1,430 (3,016) was recognised as revenue.

Net sales by geographic market

The Group's net sales are 98 per cent (97) attributable to Sweden. The parent company's net sales are entirely attributable to Sweden.

Net sales by geographic market

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Revenue by geographic market</b>				
<i>Net sales</i>				
Sweden	7,739	7,540	40	40
Finland	95	96	–	–
Norway	9	11	–	–
Latvia	15	17	–	–
Poland	0	74	–	–
Switzerland	2	0	–	–
Denmark	2	7	–	–
Germany	1	10	–	–
Other countries	0	5	–	–
<b>Total</b>	<b>7,863</b>	<b>7,760</b>	<b>40</b>	<b>40</b>

Information about major customers

The Group has two customers (two) each of which individually exceed 10 per cent of the sales. Sales to the three largest customers are MSEK 1,334 (1,188), MSEK 1,133 (1,167) and MSEK 610 (593), respectively.

NOTE 5  
Other operating income

Government assistance

Compensation for road grants of MSEK 27 (28), nature conservation efforts of MSEK 4 (3) and other government grants of MSEK 6 (4), of which electricity support of MSEK 5 is recognised as revenue in the income statement. Other non-government grants amounted to MSEK 4 (4).

The road grants are of two types, for annual operation (summer and winter maintenance) and for special operation (road rehabilitation). There are no unfulfilled conditions which may lead to repayment.

Sveaskog does not expect significant reductions in government assistance in the coming years. Prior to assistance applications, the time required, the cost of the measure, the area of action and the (potential) natural and cultural values of the area are weighed against one another. Labour-intensive measures and larger areas, such as nature conservation burnings and grazing or hay-making land, are most often prioritised.

Road grants are paid to road maintenance operators when there is a permanent resident who lives more than 1 km from a public road. The maintenance grant is calculated as a flat rate and amounts to approximately 50–70 per cent of Sveaskog's maintenance costs for the roads eligible for the grant. The grants received are used up each year. Each grant road can be followed with project numbers both at Sveaskog and at the Swedish Transport Administration, which is the main grant issuer.

Insurance compensation

Sveaskog has its forest holdings insured against additional costs caused by storm and fire. No external insurance compensation was received for this type of damage in 2023 or 2022.

## Note 5, cont.

Other operating income	Group		Parent company	
	2023	2022	2023	2022
<b>MSEK</b>				
Capital gains from sales of machinery, equipment and properties	24	30	3	5
Insurance compensation	–	–	–	–
Compensation for encroachment	15	8	0	0
Grants	41	39	–	–
Licence income and royalties	3	4	–	–
Other operating income	10	10	1	0
<b>Total</b>	<b>93</b>	<b>91</b>	<b>4</b>	<b>5</b>

## NOTE 6

### Other external expenses

Compensation to contractors within the Forest Business as well as freight and transport accounts for 70 per cent (73) of the Other external expenses.

#### Fees and expense reimbursement to auditors

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>KPMG AB</b>				
Audit engagement	3	2	–	–
Tax advice	0	0	–	–
Other services	0	0	–	–
<b>Deloitte AB</b>				
Audit engagement	0	1	–	–
Tax advice	0	0	–	–
Other services	0	0	–	–
<b>Total</b>				
Audit engagement	3	3	–	–
Audit activities in addition to audit engagement	0	0	–	–
Tax advice	0	0	–	–
Other services	0	0	–	–
<b>Total</b>	<b>3</b>	<b>3</b>	<b>–</b>	<b>–</b>

Audit engagements refer to the examination of the annual financial statements and the bookkeeping, as well as the management of the Board of Directors and the CEO, other tasks incumbent on the company's auditors, as well as advice or other assistance arising from observations in such examination or the performance of other such tasks. Everything else is other assignments.

## NOTE 7

### Leases

#### The Group as a lessee

##### ACCOUNTING PRINCIPLES

The Group assesses whether the agreement is, or contains, a lease when the agreement is entered into. The Group recognises a right-of-use and associated lease liability for all leases in which the Group is a lessee, except for short-term leases (contracts classified as leases with a leasing period of less than 12 months) and leases of low value (with a value of the right-of-use of less than SEK 50,000, such as for office machinery).

The lease liability is initially valued at the present value of the leasing fees not paid at the start date, discounted at the Group's marginal loan interest rate. The Group's marginal loan interest rate is determined on the basis of a yield curve based on bonds issued in SEK by companies with a corresponding credit rating. The curve is prepared by the Refinitiv information service and the interest rate for the respective term is entered into the curve.

The lease liability is recognised as current and non-current lease liabilities in the consolidated statement of financial position.

Upon a decision to exercise an additional extension option, the lease term changes and the marginal discount rate used for discounting the leasing fees is also changed.

The rights-of-use include the sum of the initial valuation of the corresponding lease liability, leasing fees paid at or before the commencement date and any initial direct expenses. They are subsequently valued at cost less accumulated depreciation and impairment.

Rights-of-use are depreciated over the shorter of the lease term and the underlying asset's useful life. Depreciation will begin at the start of the lease.

The rights-of-use are recognised as a separate item in the consolidated statement of financial position.

The Group determines whether there is an impairment requirement for the right-of-use and recognises any identified impairment, as described in Note 1 under Impairment losses and in Note 15 Other property, plant and equipment.

Variable leasing fees that do not depend on an index or price are not included in the valuation of the lease liability or the right-of-use. These related payments are recognised as a cost in the period during which the event or relationship that gives rise to these payments arises and is included in Other external costs in profit or loss.

Sveaskog applies the permitted practical solution not to distinguish non-leasing components from leasing components. Instead, each leasing component and all related non-leasing components are recognised as one single leasing component.

## Note 7, cont.

Sveaskog is the lessee of:

- Offices, warehouses, storage rooms, garages.
- Forest machinery, forklifts and cars.
- Land for sapling terminals, seed plantations, fishing rights, parking, etc.
- Office equipment, alarms, etc.

### Right-of-use asset

MSEK	Right-of-use asset, land	Right-of-use asset, building	Right-of-use asset, machinery and equipment	Total rights-of-use assets
<b>Group</b>				
Opening balance, 1 January 2022	9	102	42	153
New agreements	–	9	9	18
Concluded agreements	–	–	–11	–11
Revaluations	0	8	5	13
Depreciation for the year	–1	–37	–8	–46
<b>Closing value, 31 December 2022</b>	<b>8</b>	<b>82</b>	<b>37</b>	<b>127</b>
New agreements	4	51	20	75
Concluded agreements	–	–3	–10	–13
Revaluations	–1	9	15	23
Depreciation for the year	–2	–35	–8	–45
<b>Closing value, 31 December 2023</b>	<b>9</b>	<b>104</b>	<b>54</b>	<b>167</b>

### Lease liability

MSEK	2023	2022
<b>Group</b>		
Opening balance, 1 January	130	155
New agreements	72	18
Repayment and closing	–55	–58
Revaluations	23	13
Upward interest adjustment	4	2
<b>Closing value, 31 December</b>	<b>174</b>	<b>130</b>
– of which current	46	40
– of which non-current	128	90

Maturity analysis in table Liquidity risk, see Note 28.

Reconciliation of financial liabilities vs. cash flow, see Note 22.

### Type of agreement

	Maturity	Extension options	Index clauses	Variable leasing fees	Residual value guarantees	Period of notice (before the end of the agreement)
Office space	1–5 years	Most often	Most often	Yes, property tax	No	3–12 months
Sapling terminal and warehouse	2–10 years	Most often	Most often	No	No	6–24 months
Garage and parking spaces	1–5 years	Most often	Most often	No	No	1–12 months
Production machinery and forklifts	2–6 years	Yes to production machines	Yes or linked to interest rate index	No	No	3 months on production machines
Land and water for plantation, fishing waters and ground rent	2–50 years	Yes	Yes	No	No	12–24 months
Office equipment, e.g. alarms, video equipment and room reservation screens	3–5 years	Yes for alarms	An agreement linked to an interest rate index	No	No	10 months for alarms
Cars	2–5 years	No	No	Yes, vehicle tax	Yes	E/T

Extension options have been taken into account if it is reasonably certain that they will be exercised. The weighted average marginal loan interest rate amounted to 3.81 per cent (3.09).

The largest agreement is a ten-year contract for a sapling terminal in Kumla. The agree-

### IFRS 16 impact on income statement

MSEK	2023	2022
<b>Group</b>		
Depreciation of rights-of-use	–46	–46
Interest expenses on lease liabilities	–4	–2
Deferred tax	0	0
<b>Impact on net profit</b>	<b>–50</b>	<b>–48</b>

### Total cash outflows for leases

MSEK	2023	2022
Leasing fees paid for agreements included in the lease liability	46	47
Variable leasing fees for the leases above but not included above	5	5
Short-term leases, leasing cost	19	13
Leases of assets of low value, leasing cost	1	1
<b>Total cash outflows from leases</b>	<b>71</b>	<b>66</b>

ment regarding the office premises in Stockholm with occupancy in April 2023 runs for five years with an option for extension. The right-of-use value of the agreement amounts to approximately MSEK 40.

There are no leases in the parent company.

## Note 7, cont.

### The Group as a lessor

#### ACCOUNTING PRINCIPLES

Rental agreements for which Sveaskog is a lessor are classified as financial or operating leases. All Sveaskog's agreements in 2023 were operating leases.

When a contract includes both rental and non-rental components, the consideration is allocated to the different performance commitments.

Sveaskog enters into a lease as the lessor with respect to:

- Hunting and fishing concessions.
- Residential, holiday home, farm and side leases.
- Other land concessions such as for wind power and mobile phone masts.
- Quarries such as gravel, peat and rock

Lease income	Group		Parent company	
	2023	2022	2023	2022
<b>MSEK</b>				
Lease income for the year	245	205	40	40
<b>Maturity of contracts entered into</b>				
Within 1 year	481	202	40	40
1–2 years	127	97	–	–
2–3 years	132	102	–	–
3–4 years	137	107	–	–
4–5 years	137	107	–	–
More than 5 years	1,219	1,020	–	–
<b>Total</b>	<b>2,233</b>	<b>1,635</b>	<b>40</b>	<b>40</b>

The agreements for hunting and fishing are, in most cases, open-ended concessions, or concessions of 1–5 years, which can be terminated by either party at short notice.

Agreements for agricultural leases, residential leases, etc., and leases with tenancy rights (mainly holiday homes) have varying durations, but for leases for dwellings, there are usually long agreement periods or open-ended leases associated with some form of security of tenure.

The Group has revenues for installation concessions for wind power stations, communication masts and other capital-intensive installations. The wind power agreements in particular are signed with long contractual terms of 25 years or more. The Group grants the right-of-use to rock, gravel and peat extraction pits. The leases are in most cases linked to valid extraction permits and may have a duration of up to 25 years.

Sveaskog Finans AB offers leasing and instalment purchases of production machines, such as forwarders and felling machines to Sveaskog's contractors. In order to manage the risks in the company's operations, the company has a risk strategy, which includes, among other things, a thorough background check and financial analysis of the lessees. All leasing credits are decided in a credit committee consisting of parts of the Board of Directors of the finance company as well as production and technology managers. In all leases, there is a strong right to repossess the leased machine in the event of a lack of ability to pay. As of the balance sheet date, financial receivables for payment purchases and finance leases amounted to MSEK 74 (10) and MSEK 3 (0), respectively. See Note 17.

## NOTE 8

### Staff costs, average number of employees and sick leave

#### Wages, salaries and other remuneration and social security expenses

MSEK	Group		Parent company	
	2023	2022	2023	2022
Salaries and other benefits	455	412	2	2
Contractual pensions to the CEO	1	1	–	–
Contractual pensions, others	42	46	–	–
Other social security expenses	153	144	–	–
<b>Total</b>	<b>651</b>	<b>603</b>	<b>2</b>	<b>2</b>

Of the costs of contractual pensions, MSEK 11 (15) refers to defined-benefit plans and MSEK 32 (32) to defined-contribution plans. See also Note 23 Pension commitments, pension provisions and other provisions for pensions and similar commitments.

#### Salaries and other benefits by country

MSEK	2023		2022	
	Board of Directors, CEO, Deputy CEO	Other employees	Board of Directors, CEO, Deputy CEO	Other employees
<b>Parent company</b>				
Sweden	2	–	2	–
<b>Subsidiaries</b>				
Sweden	5	430	5	392
– of which bonus	–	–	–	–
Latvia	1	17	1	12
<b>Total subsidiaries</b>	<b>6</b>	<b>447</b>	<b>6</b>	<b>404</b>
<b>Total</b>	<b>8</b>	<b>447</b>	<b>8</b>	<b>404</b>



Note 8, cont.

Average number of employees per country

	2023		2023	2022
	Women	Men	Total	Total
Parent company	–	–	–	–
Subsidiaries				
Sweden	240	598	838	776
Latvia	6	36	42	34
Total subsidiaries	246	634	880	810
Total	246	634	880	810

Gender distribution on the Board and in Group management

Group	2023		2022	
	Women	Men	Women	Men
Board members				
– Elected by the Annual General Meeting	4	4	4	3
– Employee representatives, ordinary	1	1	1	1
– Employee representatives, alternates	–	2	–	2
CEO	–	1	–	1
Other Group management	5	5	5	5
Total	10	12	10	12

The Board of Directors is identical in Sveaskog AB and Sveaskog Förvaltnings AB.

Parent company	2023		2022	
	Women	Men	Women	Men
Board members				
– Elected by the Annual General Meeting	4	4	4	3
– Employee representatives, ordinary	1	1	1	1
– Employee representatives, alternates	–	2	–	2
CEO	–	1	–	1
Total	5	8	5	7

Subsidiaries (operating)	2023		2022	
	Women	Men	Women	Men
Board members				
– Elected by the Annual General Meeting	9	15	9	10
– Employee representatives, ordinary	1	1	1	4
– Employee representatives, alternates	–	2	–	2
CEO	–	3	–	2
Total	10	21	10	18

Information on employee absences due to illness, Group

	2023	2022
Total sick leave as a percentage of employees' total regular working hours		
Men	2.5	3.3
Women	5.8	6.8
Total	3.4	4.2
Duration of sick leave in days as a percentage of total sick leave		
Continuous period of 60 days or more	61	47
< 60 days	39	53
Total	100	100

Age distribution of sick leave as a percentage

29 years and younger	2.8	3.0
30–49 years	3.8	4.2
50 years and older	3.2	4.4
Total	3.4	4.2

Number of long-term healthy persons as a percentage of the average number of permanent employees <sup>1) 2)</sup>	25.9	26.8
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<sup>1)</sup> Excluding SIA Sveaskog Baltfor.  
<sup>2)</sup> Persons who have been employed for at least three years and have no absence due to illness in the last two years.

Principles for remuneration and other benefits for the Board of Directors and senior executives

Principles

Fees are paid to the Chair of the Board and the other Board members elected by the Annual General Meeting as per Annual General Meeting resolution. Sveaskog complies with the State's guidelines regarding remuneration of senior executives. Full guidelines are set out in the administration report. The remuneration of the CEO is decided by the Board of Directors and other Group management is decided by the CEO after consultation with the Remuneration Committee. The remuneration issues are prepared by the Remuneration Committee, which consists of Kerstin Lindberg Göransson, Marie Berglund and Leif Ljungqvist.

Remuneration and other benefits during the year, Board of Directors

2023, SEK	Board fees	Committee fees	Total
Kerstin Lindberg Göransson, Board Chairperson	510,000	12,267	522,267
Sven Wird (until 26 April 2023)	70,000	13,333	83,333
Leif Ljungqvist			0
Marie Berglund	214,333	12,267	226,600
Elisabet Salander Björklund	214,333	66,333	280,666
Anna Belfrage	214,333	48,933	263,266
Måns Nilsson	214,333	40,800	255,133
Uno Brinnen (from 26 April 2023)	144,333	27,467	171,800
Timo van't Hoff (from 26 April 2023)	144,333	8,267	152,600
Total	1,725,998	229,667	1,955,665

2022, SEK	Board fees	Committee fees	Total
Kerstin Lindberg Göransson, Board Chairperson	399,000	22,667	421,667
Sven Wird	205,667	40,000	245,667
Leif Ljungqvist	0	0	0
Marie Berglund	205,667	11,333	217,000
Elisabet Salander Björklund	205,667	56,667	262,334
Anna Belfrage (from 27 April 2022)	140,000	32,000	172,000
Måns Nilsson (from 1 September 2022)	70,000	13,333	83,333
Eva Färnstrand (until 27 April 2022)	161,667	10,666	172,333
Johan Kuylenstierna (until 31 August 2022)	135,667	26,667	162,334
Christina Lindbäck (until 27 April 2022)	65,667	3,333	69,000
Total	1,589,002	216,666	1,805,668

The Board also includes employee representatives. No board fees are paid to the employee representatives.

## Note 8, cont.

### Remuneration and benefits during the year, Group management and other senior executives

2023, SEK	Salaries and other benefits	Taxable benefits	Pension expense <sup>1)</sup>	Total
<b>Group management</b>				
Erik Brandsma, CEO	4,858,105	56,100	1,255,976	6,170,181
Anette Waara, COO	2,278,964	57,309	759,193	3,095,466
Anders Almäng, Director of Forestry	1,558,367	65,134	719,754	2,343,255
Helene Bergström, Business Area Manager	1,547,574	7,212	529,412	2,084,198
Christine Leandersson, Chief Legal Officer	1,378,104	30,480	526,314	1,934,898
Malin Nordén, Head of Communications	1,521,589	17,402	528,726	2,067,717
Patrik Karlsson, CDO	1,725,618	64,999	515,252	2,305,869
Annica de Jong, HR Director, (from 9 January 2023)	1,379,216	74,483	374,079	1,827,778
Per Callenberg, Head of Sustainable Business Development, (from 12 January 2023)	1,456,970	6,611	302,536	1,766,117
Claes Rasmuson, CFO, (from 13 November 2023)	246,726	601	92,148	339,475
Kristina Ferenius, CFO, (until 30 June 2023)	1,006,422	20,899	322,937	1,350,258
Anders Jakobsson, Acting CFO, (12 June 2023 – 12 November 2023)	752,480	31,020	251,741	1,035,241
Olof Johansson, Director of Forest Policy (1 Jan. 2023–31 Jan. 2023)	115,579	2,809	34,785	153,173
<b>Other senior executives</b>				
Guntars Zvejsalnieks, President, SIA Sveaskog Baltfor (EUR) <sup>2)</sup>	130,888	556		131,444
SEK	1,458,079	6,194		1,464,273
<b>Total (SEK)</b>	<b>21,283,793</b>	<b>441,253</b>	<b>6,212,853</b>	<b>27,937,899</b>

<sup>1)</sup> Pension premiums paid during the year or for the specified period.

<sup>2)</sup> EUR, exchange rate at 31 Dec. 2023 EUR/SEK 11.1399 (11.163).

2022, SEK	Salaries and other benefits	Taxable benefits	Pension expense <sup>1)</sup>	Total
<b>Group management</b>				
Erik Brandsma, CEO	4,514,615	21,492	1,109,678	5,645,785
Anette Waara, COO	1,838,978	57,660	736,511	2,633,149
Anders Almäng, Director of Forestry (from 15 August 2022)	551,270	18,881	363,251	933,402
Helene Bergström, Business Area Manager	1,435,829	6,948	708,996	2,151,773
Christine Leandersson, Chief Legal Officer (from 15 August 2022)	496,454	2,316	207,026	705,796
Malin Nordén, Head of Communications (from 19 Sept. 2022)	407,517	1,737	162,809	572,063
Patrik Karlsson, CDO	1,670,069	63,692	694,302	2,428,063
Olof Johansson, Director of Forest Policy	1,366,169	29,124	449,914	1,845,207
Eva Karlsson Berg, Marketing Area Manager	1,843,200	6,948	808,823	2,658,971
Fredrik Klang, Director of Forestry (until 14 August 2022)	1,051,628	31,452	446,501	1,529,581
Kristina Ferenius, CFO	1,920,639	27,300	645,213	2,593,152
Marie Stålnacke, HR Director	1,469,761	60,647	794,282	2,324,690
<b>Other senior executives</b>				
Guntars Zvejsalnieks, President, SIA Sveaskog Baltfor (EUR) <sup>2)</sup>	105,663			105,663
SEK	1,179,181			1,179,181
<b>Total (SEK)</b>	<b>19,745,310</b>	<b>328,197</b>	<b>7,127,306</b>	<b>27,200,813</b>

<sup>1)</sup> Pension premiums paid during the year or for the specified period.

<sup>2)</sup> EUR, exchange rate at 31 Dec. 2022 EUR/SEK 11.163 (10.294).

### Senior executives

Remuneration of the CEO, other Group management and other senior executives consists of basic salary, a benefit car or an annual pass for public transport and pension. Incentive programmes or variable remuneration do not exist.

#### Chief Executive Officer

Erik Brandsma

#### Pension

From the age of 65, a pension is paid. In addition to pension benefits under the National Insurance Act, the company pays premiums to an occupational pension solution designated by Erik Brandsma comprising an old-age pension, a premium exemption and, if desired, survivors' protection. The size of payments amounts to 25 per cent of Erik Brandsma's fixed salary.

#### Termination and severance pay

In the event of termination by the company, a period of notice of six months applies, and in the event of resignation by Erik Brandsma, it is also six months. Upon termination by the company, severance pay of 12 months' salary is received. Termination pay and severance pay are offset against other income. Severance pay is neither pensionable nor a basis for holiday pay.

### Other members of Group management and the President of the subsidiary in Latvia

#### Pension

From the age of 65, a pension corresponding to the ITP plan will be paid. In cases where an alternative ITP solution is applied, premiums are paid as in traditional ITP plans. For the President of the subsidiary in Latvia, pension conditions are applied in accordance with Latvian law.

#### Termination and severance pay

In the event of termination by the company, a period of notice of six months applies, and in the event of resignation by the employee, it is also six months. Upon termination by the company, severance pay of 12 monthly salaries is received. Termination pay and severance pay are offset against other income. Severance pay is neither pensionable nor a basis for holiday pay.

## NOTE 9

### Depreciation and amortisation according to plan and impairment

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Depreciation/amortisation according to plan</b>				
<i>Intangible assets</i>				
Capitalised expenditure on system development etc. (see Note 13)	21	21	–	–
<i>Right-of-use assets</i>				
Right-of-use assets (see Note 7)	46	46	–	–
<i>Property, plant and equipment</i>				
Buildings (see Note 15)	4	3	0	0
Land assets (see Note 15)	1	1	–	–
Machinery and equipment (see Note 15)	89	82	–	–
<b>Total depreciation/amortisation according to plan</b>	<b>161</b>	<b>153</b>	<b>0</b>	<b>0</b>

## NOTE 10

### Financial income and expenses

#### ACCOUNTING PRINCIPLES

##### Financial income and expenses

Financial income and expenses consist of interest income on bank balances, receivables and interest-bearing securities, dividend income, interest expenses on loans, unrealised and realised gains on financial investments and derivative instruments used in financial activities and foreign exchange differences.

Interest income includes accruals of transaction costs and any discounts, premiums and other differences between the original value of the receivable and the amount received at maturity.

The parent company reports Group contributions in appropriations according to the alternative rule in RFR 2 Accounting for legal entities.

Group, MSEK	2023	2022
<b>Financial income</b>		
Interest income	39	6
Capital gain, shares	0	2
<b>Total</b>	<b>39</b>	<b>8</b>
<b>Financial expenses</b>		
Interest expenses, pensions	–8	–3
Interest expenses, other	–235	–122
Capital loss, shares	–	–
Other financial expenses	–17	–11
Exchange rate differences	–4	2
<b>Total</b>	<b>–265</b>	<b>–134</b>
<b>Total</b>	<b>–226</b>	<b>–126</b>

#### Interest income and expenses from financial instruments by category recognised in net financial items

Group, MSEK	2023	2022
Interest income from assets valued at amortised cost	39	6
<b>Total interest income</b>		
Interest expenses on liabilities valued at amortised cost	–227	–128
Interest expenses on derivatives valued at fair value in profit or loss	–3	7
Interest expenses on derivatives valued at fair value through other comprehensive income	–18	–4
<b>Total interest expenses</b>	<b>–248</b>	<b>–125</b>
<b>TOTAL</b>	<b>–209</b>	<b>–119</b>

The financial part of the own-account pension commitment costs has been calculated at an interest rate of 3.840 per cent (3.429).

Parent company, MSEK	2023	2022
<b>Other financial income</b>		
Dividends from subsidiaries	–	–
Interest income, other Group companies	45	19
<b>Total</b>	<b>45</b>	<b>19</b>
<b>Other financial expenses</b>		
Interest expenses, other Group companies	–158	–88
Interest expenses, other	–257	–122
Impairment of financial receivables, Group companies	–	–1
Other financial expenses	–16	–11
<b>Total</b>	<b>–431</b>	<b>–222</b>
<b>Total</b>	<b>–386</b>	<b>–203</b>

#### Interest income and expenses from financial instruments by category recognised in net financial items

Parent company, MSEK	2023	2022
Interest income from assets valued at amortised cost	45	19
<b>Total interest income</b>		
Interest expenses on liabilities valued at amortised cost	–415	–210
<b>Total interest expenses</b>	<b>–415</b>	<b>–210</b>
<b>Total</b>	<b>–370</b>	<b>–191</b>

## NOTE 11

### Tax

#### Significant judgements and estimates

The valuation of deferred tax is based on how the carrying amounts of assets and liabilities are expected to be realised. This means, for Sveaskog, that the deferred tax liability also depends on the model assumptions made in the calculation of the biological asset.

#### Profit after financial items

MSEK	2023	2022
Sweden	4,537	2,318
Other countries	12	21
<b>Total</b>	<b>4,549</b>	<b>2,339</b>

#### Tax expense (–) / tax income (+)

MSEK	Group		Parent company	
	2023	2022	2023	2022
Current tax				
Tax expense (–) / tax income (+) for the period	–254	–229	–99	–47
Adjustment of tax expenses attributable to previous years	–7	–13	–	–
<b>Total</b>	<b>–261</b>	<b>–242</b>	<b>–99</b>	<b>–47</b>
Deferred tax				
Deferred tax income (+) / Tax expense (–) for temporary differences	–672	–118	–	–
<b>Total</b>	<b>–672</b>	<b>–118</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>–933</b>	<b>–360</b>	<b>–99</b>	<b>–47</b>

#### Tax expense (–) / tax income (+) by country

MSEK	Group		Parent company	
	2023	2022	2023	2022
Sweden	–258	–241	–99	–47
Other countries	–3	–1	–	–
<b>Total</b>	<b>–261</b>	<b>–242</b>	<b>–99</b>	<b>–47</b>

#### Difference between nominal and effective tax rate

MSEK	Group		Parent company	
	2023	2022	2023	2022
Swedish income tax rate	–20.6	–20.6	–20.6	–20.6
Tax effect attributable to previous years	0.2	0.5	–	–
Tax effect of participations in the profits/ losses of associates is recognised net after tax	–0.3	5.1	–	–
Tax effect due to non-deductible expenses and non-taxable income	0.2	–0.4	–7.0	–10.0
Effective tax rate according to the income statement	–20.5	–15.4	–27.6	–30.6

#### Tax items recognised against other comprehensive income

MSEK	Group		Parent company	
	2023	2022	2023	2022
Tax attributable to items recognised against other comprehensive income	1,600	771	–	–
Current tax in paid (–) / received (+) Group contributions	–	–	–	–
<b>Total</b>	<b>1,600</b>	<b>771</b>	<b>–</b>	<b>–</b>

#### Deferred tax liabilities and tax assets<sup>1)</sup>

Group, MSEK	2023	2022
<b>Deferred tax liabilities</b>		
Forest assets		
– Land assets <sup>1)</sup>	9,638	8,098
– Biological assets	10,965	10,280
Right-of-use assets	33	27
Financial instruments	4	10
Other non-current assets	36	33
Inventories	15	17
Provision for employee benefits	14	13
Forestry liability	88	90
Tax allocation reserve	443	467
Compensation fund for land	0	18
Other untaxed reserves	202	204
Other reserves	1	–
<b>Total</b>	<b>21,439</b>	<b>19,257</b>
<b>Deferred tax assets</b>		
Leasing liabilities	36	27
Provisions	27	3
<b>Total</b>	<b>63</b>	<b>30</b>
<b>Total net deferred tax liabilities (+) / assets (–)</b>	<b>21,376</b>	<b>19,227</b>
Recognised as		
– Deferred tax assets	16	0
– Deferred tax liabilities <sup>1)</sup>	21,392	19,227
<b>Net deferred tax liabilities</b>	<b>21,376</b>	<b>19,227</b>
Less liabilities attributable to assets held for dividend	–	–124
<b>Recognised deferred tax liabilities</b>	<b>21,376</b>	<b>19,103</b>

<sup>1)</sup> All changes in deferred tax have been through comprehensive income, of which net MSEK 1,600 (771) through other comprehensive income.



Note 11, cont.

Deferred tax assets and liabilities are distributed as follows:

Group, MSEK	2023	2022
Deferred tax assets		
Deferred tax assets to be used after more than 12 months	16	0
Deferred tax assets to be used within 12 months	–	–
Deferred tax liabilities		
Deferred tax liabilities payable after more than 12 months	21,376	19,103
Deferred tax liabilities payable within 12 months	–	–
Deferred tax liabilities (net)	21,376	19,103

As of 1 January 2024, the Group is covered by the OECD Model Rules and the EU Directive for Pillar 2. Under the legislation, the Group is required to pay an additional tax for the difference between the effective tax rate calculated according to the so-called “GloBE rules” for each jurisdiction and the minimum tax rate of 15 per cent. Therefore, the Group is currently evaluating its exposure to additional taxes according to Pillar 2.

This evaluation indicates that the Group will be able to use the simplification rules included in the regulatory framework in all countries where the Group operates.

As a result, no material exposure to supplementary tax is expected. However, due to the complexity of the application of the legislation and the calculation of the so-called GloBE revenue, the potential quantitative impact of the adopted legislation is difficult to fully estimate. The Group will further evaluate the potential impact of the new regulatory framework and, if necessary, update the Group’s assessments of the potential future impact of the regulatory framework on current tax.

NOTE 12  
Non-cash items

MSEK	Group		Parent company	
	2023	2022	2023	2022
Depreciation/amortisation	161	153	0	0
Capital gains <sup>1)</sup>	–24	–29	–3	–5
Capital gains on property sales	–29	–26	–	–
Share of profit/loss in associates	60	–574	–	–
Change in value in biological assets <sup>2)</sup>	–3,376	–724	–	–
Other	11	32	–	–
Total	–3,197	–1,168	–3	–5

1) Capital gains of MSEK 24 (30), capital losses of MSEK 0 (–1).  
2) Only the non-cash part of the value change in biological assets.

NOTE 13  
Intangible assets, Group

ACCOUNTING PRINCIPLES

Amortisation

Amortisation is recognised in the income statement straight-line over the estimated useful lives of intangible assets. Amortisable intangible assets are amortised from the date on which they are for use. The estimated useful lives are:

Intangible assets	Assessed useful lives	Amortisation rates
Acquired and internally developed		
Capitalised expenditure on system development, etc.	5–10 years	10–20%

MSEK	Capitalised expenditure on system development, etc.
Costs	
Opening balance, 1 January 2022	257
Investments	13
Disposal	6
Closing value, 31 December 2022	276
Accumulated revaluations	
Opening balance, 1 January 2022	4
Disposal	–4
Closing value, 31 December 2022	0
Accumulated amortisation according to plan	
Opening balance, 1 January 2022	–65
Disposal	–2
Depreciation for the year	–21
Closing value, 31 December 2022	–88
Accumulated impairment losses	
Opening balance, 1 January 2022	–31
Closing value, 31 December 2022	–31
Closing residual value according to plan, 31 December 2022	157

## Note 13, cont.

MSEK	Capitalised expenditure on system development, etc.
<b>Costs</b>	
Opening balance, 1 January 2023	276
Investments	13
Disposal	–
<b>Closing value, 31 December 2023</b>	<b>289</b>
<b>Accumulated amortisation according to plan</b>	
Opening balance, 1 January 2023	–88
Disposal	–
Depreciation for the year	–21
<b>Closing value, 31 December 2023</b>	<b>–109</b>
<b>Accumulated impairment losses</b>	
Opening balance, 1 January 2023	–31
<b>Closing value, 31 December 2023</b>	<b>–31</b>
<b>Closing residual value according to plan, 31 December 2023</b>	<b>149</b>

## NOTE 14

### Forest assets – biological assets and land assets

#### ACCOUNTING PRINCIPLES

##### Forest assets

Sveaskog bases the total value of the forest assets on forest land transactions in the areas where Sveaskog owns forest assets. The land assets attributable to forest assets are recognised at fair value according to the so-called revaluation model, IAS 16 p.31.

##### Biological assets

Standing timber is recognised as biological assets, which means that biological assets are valued and recognised at fair value at each closing date based on valuation level 3 (see Note 28). Changes in fair value are recognised in the income statement and Sveaskog makes a valuation as a return value, where future cash flows from timber extraction less felling costs etc. are discounted to a present value. The calculations include future timber extractions that correspond to a forested rotation period of 70 to 100 years and are divided into Sveaskog's five regions. Timber extractions are based on Sveaskog's felling and

forestry plans. Sveaskog has set aside large areas of productive forest land as nature conservation areas. The value of standing timber included in the nature conservation areas is not included in the return value. The other values of forest land in the form of hunting income and other concession income, etc. are not included in the return value. The provision for deferred tax is calculated on the difference between the carrying amount and the tax value.

##### Land assets

The value of the land assets is the residual between the total value of the forest assets and the value of the biological assets based on discounted cash flows. The change in value of land is recognised as other comprehensive income and does not affect the income for the year. The increase is accumulated in equity under the heading of the revaluation reserve. However, the increase is recognised in profit or loss to the extent that it returns a decrease in value previously recognised in profit or loss. If the carrying amount of the asset decreases as a result of revaluation, the decrease in profit or loss is recognised. However, the decrease in other comprehensive income is recognised to the extent that there is an existing credit balance in the revaluation reserve with respect to that asset, and the amount in the revaluation reserve is also reduced. The provision for deferred tax is calculated on the difference between the carrying amount and the tax value.

The parent company does not apply the revaluation model for the valuation of its forest assets, but rather these are recognised at cost and are therefore reported in Note 15 Other property, plant and equipment.

##### FOREST ASSETS

Sveaskog's total land holdings amount to 3.87 million hectares, of which 3.02 million hectares is productive forest land. The valuation includes a total of 2.75 million hectares containing a timber supply estimated at 263 million cubic metres of forest. The difference between Sveaskog's total productive land holdings and the valuation's land holdings is the deduction of reserves, ecoparks, trial parks and voluntary provisions. The forest assets are valued at fair value at level 3 calculated on the price statistics of forest properties from Ludvig & Co. and Svefa. The price statistics refer to the areas where Sveaskog owns forest land and are divided into ten different price areas in Sweden. Sveaskog uses a five-year average in the valuation with some adjustments.

The carrying amount of Sveaskog's forest assets as of 31 December 2023 has been calculated at MSEK 100,221 (88,862), of which MSEK 50,673 (47,173) refers to the fair value of the biological asset and MSEK 49,548 (41,689) refers to the fair value of the land. The change in the balance sheet since the previous year-end is MSEK 11,359 (3,432) and is shown on the table Forest assets – biological assets and forest land. The parameters included in the fair value calculation model are updated annually for both the total forest assets and the value of biological assets, but a separate analysis is carried out each quarter to assess whether the annual price is essentially reasonable. Fellings carried out during the

year, changes in property registers are updated quarterly. The forest assets are divided into standing timber (biological assets) and land assets. Standing timber is recognised as a biological asset. Land assets are recognised as property, plant and equipment according to the revaluation model.

Since 2020, the value of the company's forest assets has been based on sales transactions in the areas that Sveaskog owns forest assets. The valuation price consists of a five-year average and the method means that the land assets are also recognised at fair value according to the revaluation method. Land assets linked to the standing timber were recognised at cost before 2020. For biological assets, the change in 2020 meant only a change in assumptions. Statistics on forest land transactions are available from a number of market participants, but Sveaskog has chosen to obtain statistics that are reported on the Ludvig & Co website ([www.ludvig.se](http://www.ludvig.se)) and a report compiled by Svefa ([www.svefa.se](http://www.svefa.se)). The statistics can be seen as market-confirmed inputs according to valuation level 2 (IFRS 13). The input used for the valuation of an asset or liability at fair value is assigned to different levels in the valuation hierarchy in accordance with IFRS 13. For descriptions of the different valuation levels, see Note 28. In these cases, the valuation is assigned to fair value as a whole at valuation level 3. In order to refine the market-confirmed input, some adjustments are made using non-observable input data. In addition, an assessment is also made of the time period for transactions to be included in the calculation of an average price.

Sveaskog has chosen to base the market price on a five-year average. The method contains elements of observable input but is nevertheless deemed attributable to valuation level 3 taking into account adjustment of input at valuation level 2. There were no transfers between valuation levels during the year.

##### Biological assets

In combination with market transactions and in order to determine the fair value of the Group's biological assets, expected future cash flows from the assets have been discounted. The calculation for determining the value of biological assets has been based on existing felling plans and assessments regarding growth, timber prices, felling costs, etc.

The change in value is recognised in the income statement in the item changes in value of biological assets.

The calculation is based on one production cycle for biological assets, which is estimated by Sveaskog to amount to an average of 70 to 100 years and is divided into Sveaskog's five regions. Cash flows are calculated on the basis of felling volumes according to Sveaskog's current felling estimate and assessment of future price and cost development. Prices are based on a rolling ten-year average (2014–2023). In terms of cost development, the current standard cost (see model assumptions below) is applied. The inflation assumptions in the model are based on estimated future development during the valuation period. Cash flow before tax is discounted at an interest rate of 4.5 per cent (4.5). Sveaskog's Board of Directors assesses that this interest rate corresponds to the long-term cost of

Note 14, cont.

capital for an investment in forest assets and that it is not affected by short-term fluctuations in market rates. According to current felling estimates, which date from 2022 and are based on a forest optimisation model, felling will amount to approximately 5.1 million m³sub per year (6.3)<sup>1)</sup>. This level is estimated to increase steadily until 2033, to then remain at a level of approximately 6.8 million m³sub (6.8)<sup>1)</sup> until 2037. The level is then estimated to decrease slightly to approximately 6.3 million m³sub (7.2–7.9)<sup>1)</sup>. In 2023, approximately 50 per cent (53) of Sveaskog's own forest volume was sold as sawlogs to sawmills and 45 per cent (43) comprised pulpwood which was sold to the pulp and paper industry. Other volumes consisted of, for example, biofuel in the form of rejected branches and treetops, which are primarily used as fuel wood; this volume is not included in the valuation.

Land assets

The value of the land assets is the residual between the total market value of the forest asset and the value of the biological assets based on discounted cash flows. Land assets are recognised at fair value on their own line on the balance sheet under forest assets and a deferred tax liability is recognised on the difference between the tax cost of the asset and the carrying amount. The increase in the value of land assets and the tax effect arising from the revaluation are not recognised in profit for the year, but in other comprehensive income and accumulated in equity on the lines of value change of land assets and income tax attributable to components of other comprehensive income. The revaluation reserve in equity does not constitute non-restricted equity and, as of 31 December 2023, amounts to MSEK 36,812 (30,939).

Model assumptions

Forest assets<sup>2)</sup>

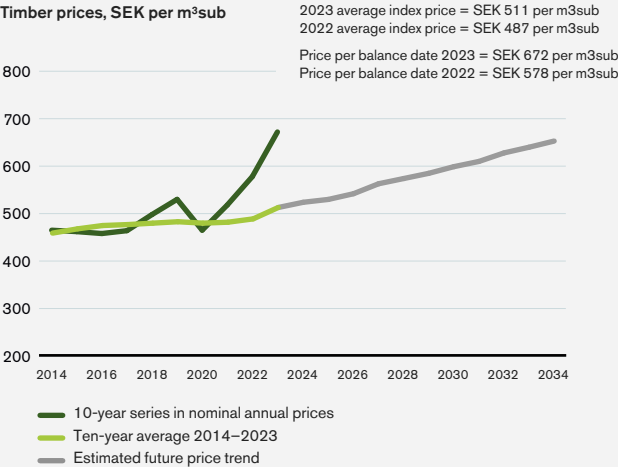
The valuation price per cubic metre of forest in SEK is based on market prices that are published and compiled by Ludvig & Co and Svefa. The prices are a five-year average (2018–2022). Timber stocks per million cubic metres of forest are based on Sveaskog's forest registers and refer to the most recent calculation (October 2023).

Biological assets

The income (timber prices) is based on the prices from a ten-year average (2014–2023) and then an estimated development during the valuation period with a nominal price increase of 2.0 per cent (2.0) per year. This assessed development is adjusted when the company predicts a different development in its long-term business plans.

<sup>1)</sup> Previous felling estimate from 2017.

<sup>2)</sup> The value for the year (263 million cubic metres) refers to productive land minus ecoparks, trial parks and nature reserves and parts of voluntary set-asides.



For the production costs (felling costs), a current normal cost is applied that corresponds to the average of three years (outcome for the current year, the previous year and the budget for the coming year). These costs are based on an estimated development during the valuation period of 2.0 per cent (2.0) per year.

Sveaskog has set aside areas of productive forest land as nature conservation areas. These areas are not included in the value of forest assets.

Summary model assumptions – Forest Assets – Biological Assets and Forest Land<sup>1)</sup>

MSEK	2023	2022
Valuation price per cubic metre of forest in SEK	5-year average	5-year average
Timber stocks per million cubic metres of forest	Forest registers as of October 2023	Forest registers as of October 2022
Discount rate	4.50%	4.50%
Revenue	10-year average	10-year average
Nominal price increase	2.00% per year	2.00% per year
Costs	Normal cost <sup>1)</sup>	Normal cost <sup>1)</sup>
Nominal cost increase	2.00% per year	2.00% per year

<sup>1)</sup> Normal cost = outcome for the current year and the previous year as well as budget for the coming year.

Sensitivity analysis based on key measurement parameters and their impact on Sveaskog's forest assets

Total forest assets

Valuation price per cubic metre of forest in SEK

A decrease in the market value of SEK 5 per cubic metre of forest reduces the value of forest assets by approximately MSEK 1,200 (1,300).

An increase in the market value by SEK 5 per cubic metre increases the value of the forest assets by approximately MSEK 1,300 (1,300).

Timber stocks per million cubic metres of forest

A reduction in the growing stock by 5 million cubic metres reduces the value of forest assets by approximately MSEK 1,900 (1,700). An increase in the growing stock by 5 million cubic metres increases the value of the forest assets by approximately MSEK 1,900 (1,700).

Biological assets

Discount rate

A reduction in the discount rate by 0.5 percentage points raises the value of the biological asset by approximately MSEK 8,300 (8,500). A 0.5 percentage point increase in the discount rate reduces the value of the biological asset by approximately MSEK 6,600 (5,900).

Income (timber prices)

A reduction in the annual price increase by 0.5 percentage points reduces the value of the biological asset by approximately MSEK 13,900 (13,700). An increase in the annual price increase by 0.5 percentage points raises the value of the biological asset by approximately MSEK 17,300 (17,200).

Costs (felling, forestry, road and common costs)

An increase in the annual cost increase by 0.5 percentage points reduces the value of the biological asset by approximately MSEK 9,200 (8,900). A reduction in the annual cost increase by 0.5 percentage points raises the value of the biological asset by approximately MSEK 7,400 (7,100).

Climate and weather risks

Climate-related risks in the long term are presented under the section Climate-related risks and opportunities on page 53. Short-term weather risk is described in the "Risk and sensitivity analysis" section on page 46. The climate and weather risks may affect all the parameters above (except the discount rate). In connection with the calculation of Sveaskog's felling plan, likely future impact has been taken into account.

## Note 14, cont.

## Total forest assets – biological assets and forest land

MSEK	Remaining operations	Operations subject to dividend
<b>Fair values</b>		
Opening balance, 1 January 2022	85,430	–
Change during the year	3,432	627
<b>Closing value, 31 December 2022</b>	<b>88,862</b>	<b>627</b>
Deferred tax attributable to forest assets	18,254	124

MSEK	Remaining operations	Operations subject to dividend
<b>Fair values</b>		
Opening balance, 1 January 2023	88,862	627
Change during the year	11,359	–627
<b>Closing value, 31 December 2023</b>	<b>100,221</b>	<b>0</b>
Deferred tax attributable to forest assets	20,603	–

## Forest assets of which biological assets

MSEK	Remaining operations	Operations subject to dividend
<b>Fair values</b>		
Opening balance, 1 January 2022	46,722	–
Acquisition of biological assets	30	–
Sales of standing timber	–17	–
Changes due to felling	–1,683	–
Unrealised change in fair value	2,408	–
Transfer	–287	287
<b>Closing value, 31 December 2022</b>	<b>47,173</b>	<b>287</b>

MSEK	Remaining operations	Operations subject to dividend
Opening balance, 1 January 2023	47,173	287
Acquisition of biological assets	275	–
Sales of standing timber	–21	–
Changes due to felling	–850	–
Unrealised change in fair value	4,226	–30
Transfer	–130	130
Dividend	–	–387
<b>Closing value, 31 December 2023</b>	<b>50,673</b>	<b>0</b>

## Forest assets of which forest land

MSEK	Remaining operations	Operations subject to dividend
<b>Fair values</b>		
Opening balance, 1 January 2022	38,708	–
Acquisitions of forest land	143	–
Sale of forest land	–16	–
Unrealised change in fair value	3,193	–
Transfer	–339	339
<b>Closing value, 31 December 2022</b>	<b>41,689</b>	<b>339</b>

MSEK	Remaining operations	Operations subject to dividend
Opening balance, 1 January 2023	41,689	339
Acquisitions of forest land	113	6
Sale of forest land	–21	–
Unrealised change in fair value	7,840	18
Transfer	–73	73
Dividend	–	–436
<b>Closing value, 31 December 2023</b>	<b>49,548</b>	<b>0</b>



## NOTE 15

### Other property, plant and equipment

#### ACCOUNTING PRINCIPLES

##### Owned assets

Other property, plant and equipment consist of buildings, property equipment, other land, land improvements and machinery and equipment, and these are recognised on the balance sheet as assets.

Other property, plant and equipment are recognised at cost less accumulated depreciation and any impairment. The cost includes the purchase price and expenses directly attributable to the asset in order to put it in place and in order to be used in accordance with the purpose of the acquisition, e.g. land division costs and title deeds. Accounting principles for impairment are set out in Note 1.

The cost of proprietary non-current assets includes expenditure on materials, employee benefit expenses and other manufacturing expenses that are considered to be directly attributable to the non-current assets.

Other property, plant and equipment, which consist of components with different useful lives, are treated as separate components of property, plant and equipment.

##### Borrowing expenses

Borrowing expenses such as interest and other expenses incurred and directly attributable to the purchase, construction or production of a qualifying asset form part of the cost of the asset. Other borrowing expenses are expensed.

##### Depreciation principles

The cost is depreciated to the residual value straight-line over the useful period; land is not depreciated. The Group applies component depreciation, which means that the assessed useful life of the components forms the basis for the depreciation.

##### Other property, plant and equipment

Intangible assets	Estimated useful lives	Depreciation rates
Industrial buildings	20–25 years	4–5%
Housing and office buildings	33–50 years	2–3%
Land improvements	10–20 years	5–10%
Vehicles and other machinery and equipment	3–6 years	16.5–33%
Machinery and other technical installations	5–20 years	5–20%

The residual value and useful life of an asset are assessed annually. An asset is impaired if its carrying amount exceeds its estimated recoverable amount.

The parent company does not apply the revaluation model for the valuation of its forest assets, but rather these are recognised at cost, IAS 16 p30, and therefore recognised in this note.

## Note 15, cont.

## Other property, plant and equipment

Group, MSEK	Buildings, other land and land improvements	Machinery and equipment	Construction in progress and advance payments	Total other property, plant and equipment	Other land held for dividend
<b>Costs</b>					
Opening balance, 1 January 2022	523	883	39	1,445	–
Investments	19	57	35	111	–
From construction in progress and advance payments, etc.	12	41	–53	0	–
Sales and disposal	–7	–46	–	–53	–
Translation differences, etc.	0	3	0	3	–
Transfer	–1	–	–	–1	1
<b>Closing value, 31 December 2022</b>	<b>546</b>	<b>938</b>	<b>21</b>	<b>1,505</b>	<b>1</b>
<b>Accumulated depreciation according to plan</b>					
Opening balance, 1 January 2022	–335	–516	–	–851	–
Sales and disposal	1	32	–	33	–
Depreciation for the year	–4	–82	–	–86	–
Translation differences, etc.	0	–1	–	–1	–
<b>Closing value, 31 December 2022</b>	<b>–338</b>	<b>–567</b>	<b>–</b>	<b>–905</b>	<b>–</b>
<b>Accumulated impairment losses</b>					
Opening balance, 1 January 2022	–3	–3	–	–6	–
<b>Closing value, 31 December 2022</b>	<b>–3</b>	<b>–3</b>	<b>–</b>	<b>–6</b>	<b>–</b>
<b>CLOSING RESIDUAL VALUE ACCORDING TO PLAN, 31 DECEMBER 2022</b>	<b>205</b>	<b>368</b>	<b>21</b>	<b>595</b>	<b>1</b>

Group, MSEK	Buildings, other land and land improvements	Machinery and equipment	Construction in progress and advance payments	Total other property, plant and equipment	Other land held for dividend
<b>Costs</b>					
Opening balance, 1 January 2023	546	938	21	1,505	1
Investments	5	137	84	226	–
From construction in progress and advance payments, etc.	11	7	–18	0	–
Sales and disposal	–6	–67	–	–73	–
Translation differences, etc.	0	–1	0	–1	–
Dividend	–	–	–	–	–1
<b>Closing value, 31 December 2023</b>	<b>556</b>	<b>1,014</b>	<b>87</b>	<b>1,657</b>	<b>–</b>
<b>Accumulated depreciation according to plan</b>					
Opening balance, 1 January 2023	–338	–567	–	–905	–
Sales and disposal	0	52	–	52	–
Depreciation for the year	–5	–89	–	–94	–
Translation differences, etc.	0	0	–	0	–
<b>Closing value, 31 December 2023</b>	<b>–343</b>	<b>–604</b>	<b>–</b>	<b>–947</b>	<b>–</b>
<b>Accumulated impairment losses</b>					
Opening balance, 1 January 2023	–3	–3	–	–6	–
<b>Closing value, 31 December 2023</b>	<b>–3</b>	<b>–3</b>	<b>–</b>	<b>–6</b>	<b>–</b>
<b>CLOSING RESIDUAL VALUE ACCORDING TO PLAN, 31 DECEMBER 2023</b>	<b>210</b>	<b>407</b>	<b>87</b>	<b>704</b>	<b>–</b>

## Note 15, cont.

## Other property, plant and equipment

Parent company, MSEK	Forest properties	Buildings, other land and land improvements
<b>Costs</b>		
Opening balance, 1 January 2022	29	13
Sales and disposal	–1	0
<b>Closing value, 31 December 2022</b>	<b>28</b>	<b>13</b>
<b>Accumulated depreciation according to plan</b>		
Opening balance, 1 January 2022	–	–4
Sales and disposal	–	0
Depreciation for the year	–	0
<b>Closing value, 31 December 2022</b>	<b>–</b>	<b>–4</b>
<b>Closing residual value according to plan, 31 December 2022</b>	<b>28</b>	<b>9</b>
<b>Costs</b>		
Opening balance, 1 January 2023	28	13
Sales and disposal	0	–1
<b>Closing value, 31 December 2023</b>	<b>28</b>	<b>12</b>
<b>Accumulated depreciation according to plan</b>		
Opening balance, 1 January 2023	–	–4
Sales and disposal	–	0
Depreciation for the year	–	0
<b>Closing value, 31 December 2023</b>	<b>–</b>	<b>–4</b>
<b>Closing residual value according to plan, 31 December 2023</b>	<b>28</b>	<b>8</b>

## Taxable values for Swedish properties

MSEK	Group		Parent company	
	2023	2022	2023	2022
Forest assets	80,193	65,633	876	795
Other land	898	730	43	42
Buildings	118	108	8	9
<b>Total</b>	<b>81,209</b>	<b>66,471</b>	<b>927</b>	<b>846</b>
<b>Recognised on the balance sheet:</b>				
Forest land	49,548	41,689	28	28
Biological assets	50,673	47,173	–	–
<b>Total</b>	<b>100,221</b>	<b>88,862</b>	<b>28</b>	<b>28</b>

## Non-current assets by geographic market

MSEK	Group		Parent company	
	2023	2022	2023	2022
Intangible assets				
– Sweden	149	157	–	–
Right-of-use assets				
– Sweden	167	127	–	–
Forest assets				
– Sweden	100,221	88,862	28	28
Other property, plant and equipment				
– Sweden	679	575	8	9
– Finland	2	2	–	–
– Latvia	23	17	–	–
<b>Total other property, plant and equipment</b>	<b>704</b>	<b>594</b>	<b>8</b>	<b>9</b>

## NOTE 16

## Shares and participations

## ACCOUNTING PRINCIPLES

## Subsidiaries

Subsidiaries include the companies that are under a controlling influence of the parent company Sveaskog AB, directly or indirectly. The controlling influence consists of the ability to influence the returns of the subsidiary or the right to variable returns from the subsidiary.

## Associates

Associates include the companies for which the Group has significant, but not controlling, influence over operational and financial governance, usually by holding an interest between 20 and 50 per cent of the voting rights. There are exceptions when the holding amounts to an insignificant amount.

## Other non-current securities holdings

Among other non-current securities holdings, the Group counts non-controlling shareholdings and participations in tenant-owner associations. Normally, the shareholdings are below 20 per cent, but exceptions exist when the Group does not exercise significant influence and does not intend to exercise significant influence. Also see Note 22.

## Note 16, cont.

## Associates, other non-current securities holdings

Group, MSEK	Associates <sup>1)</sup>	Other non-current securities holdings
Opening balance, 1 January 2022	1,401	10
Investments	–	0
Sales and liquidation	–	0
Dividend	–340	–
Share of the profit or loss of associates <sup>2)</sup>	574	–
Share of other comprehensive income of associates	26	–
<b>Closing value, 31 December 2022</b>	<b>1,661</b>	<b>10</b>
Opening balance, 1 January 2023	1,661	10
Investments	–	6
Sales and liquidation	–	0
Dividend	–266	–
Share of the profit or loss of associates <sup>2)</sup>	–60	–
Share of other comprehensive income of associates	–4	–
<b>Closing value, 31 December 2023</b>	<b>1,331</b>	<b>16</b>

<sup>1)</sup> The holdings in Setra Group, SunPine and ShoreLink are recognised according to the equity method. The holding of shares in other associates was valued at cost. Equity method recognition was not applied to them due to the minor importance of the holdings.

<sup>2)</sup> Share of associates' profit/loss after tax for 2023 (2022) and change in the intra-Group profit reserve for Setra.

## Specification of income, profit/loss, assets and liabilities of the associate Setra Group

MSEK	2023	2022
<b>Setra Group</b>		
According to the company's accounts:		
Net sales	5,262	6,364
Profit/loss after tax	–194	952
Profit/loss from continuing operations	–194	952
Other comprehensive income	–10	50
Comprehensive income for the period	–204	1,002
Non-current assets	2,215	1,959
Current assets	2,394	3,344
Equity	2,444	3,125
Non-current liabilities	941	1,027
Current liabilities	1,224	1,151

## Specification of income, profit/loss, assets and liabilities of the associate SunPine

MSEK	2023	2022
<b>SunPine</b>		
According to the company's accounts:		
Net sales	3,974	3,065
Profit/loss after tax	132	379
Profit/loss from continuing operations	132	379
Comprehensive income for the period	132	379
Non-current assets	550	593
Current assets	1,242	1,108
Equity	842	886
Untaxed reserves	457	317
Non-current provisions	26	25
Current liabilities	467	375

Specification of income, profit/loss, assets and liabilities of the associate ShoreLink<sup>1)</sup>

MSEK	2023	2022
<b>ShoreLink</b>		
According to the company's accounts:		
Net sales	329	353
Profit/loss after tax	12	52
Profit/loss from continuing operations	12	52
Comprehensive income for the period	12	52
Non-current assets	175	141
Current assets	154	150
Equity	245	231
Non-current provisions	14	12
Current liabilities	70	48

<sup>1)</sup> The 2023 profit/loss items refer to the period December 2022–November 2023 (December 2021–November 2022), while the balance sheet items refer to November 2023 (August 2022), which is the latest data we have received.

## Parent company

MSEK	2023	2022
<b>Costs</b>		
Opening costs	24,984	24,934
Closing costs	24,934	24,984



## Note 16, cont.

## Specification of shares and participations, as well as other non-current holdings of securities

	Corp. ID no.	Domicile/country	Number of shares	Participation in % <sup>1)</sup>		Equity MSEK, 31 Dec 2023	Profit for the year, MSEK 2023	Carrying amount, MSEK, 31 Dec	
				2023	2022			2023	2022
<b>Sveaskog AB</b>	556558-0031								
<i>Direct holdings in Group companies</i>									
Hjälmare Kanal AB	556002-4472	Stockholm	5,936	100	100	2	0	3	3
Sveaskog Förvaltnings AB	556016-9020	Stockholm	95,157,179	100	100	14,719	930	24,931	24,931
Ersättningsmark i Sverige 2 AB <sup>2)</sup>	559397-0691	Stockholm	0	0	100	–	–4	–	50
<b>Total Group companies directly owned</b>								<b>24,934</b>	<b>24,984</b>
<i>Indirect holdings in Group companies</i>									
SIA Sveaskog Baltfor	40003293038	Riga, Latvia	2,500	100	100	57	9	–	–
Sveaskog Försäkringsaktiebolag	516401-8466	Stockholm	500,000	100	100	51	0	–	–
Sveaskog Timber AB	556000-1074	Stockholm	90,000	100	100	261	0	–	–
Sveaskog Fastighet 11 AB	559382-8717	Stockholm	25,000	100	100	1	0	–	–
Sveaskog Fastighet 12 AB	559382-8725	Stockholm	25,000	100	100	1	0	–	–
Sveaskog Finans AB	559299-6861	Stockholm	25,000	100	100	100	0	–	–
<b>Group holdings in associates</b>									
<i>Parent company's indirect holdings</i>									
Setra Group AB	556034-8483	Stockholm	25,761,671	50	50	2,444	–194	918	1,257
ShoreLink AB	556053-7168	Piteå	18,775	24.07	24.07	245	12	59	58
SunPine AB	556682-9122	Piteå	16,685	25.14	25.14	841	132	354	346
<b>Total associates</b>								<b>1,331</b>	<b>1,661</b>
<i>The Group's other non-current securities holdings</i>									
<i>Parent company's indirect holdings</i>									
Arboreal AB	559171-8548	Umeå	12,450	24.90	24.90	–	–	0	0
Arevo AB	556995-8423	Umeå	108	3.60	1.10	–	–	4	2
Swe Tree Technologies AB	556573-9587	Umeå	430,987	13.97	13.97	–	–	3	3
Torsta AB	556892-2420	Krokom	200	5.00	5.00	–	–	0	0
Nordic Forestry Automation	559346-4141	Lund	363,637	10.67		–	–	4	
Other participations								5	5
<b>Total Group's other non-current securities holdings</b>								<b>16</b>	<b>10</b>
<b>Total Group's holdings of shares in associates and other long-term securities holdings</b>								<b>1,347</b>	<b>1,671</b>

<sup>1)</sup> The share of voting rights for all participations corresponds to the share of equity.

<sup>2)</sup> Ersättningsmark i Sverige 2 AB was distributed to the owner as dividends in December 2023.

## NOTE 17

### Non-current receivables

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Interest-bearing non-current liabilities</b>				
Receivables from Group companies (see Note 3)	–	–	400	499
Receivable instalment purchases (see Note 7)	67	10	–	–
Other non-current receivables	5	5	–	–
<b>Total</b>	<b>72</b>	<b>15</b>	<b>400</b>	<b>499</b>

The Group's estimated risk of anticipated credit losses on non-current receivables amounts to MSEK 0 (0) and the parent company has assessed the risk of anticipated credit losses on internal receivables at MSEK 1 (1).

## NOTE 18

### Inventories

#### ACCOUNTING PRINCIPLES

Stocks are valued at the lower of cost and net realisable value. Net realisable value is the estimated sales price in operating activities, less estimated costs for completion and to achieve a sale.

The cost of processed timber amounts to fair value less estimated sales costs at the time of felling in accordance with the accounting principle for biological assets.

The cost of stocks is calculated by applying the first in, first out method (FIFO) and includes expenditure incurred in the acquisition of the stocks and their transport to their current location and condition. The cost includes a reasonable share of indirect costs based on normal capacity utilisation.

Group, MSEK	2023	2022
Timber rights	5	2
Accrued felling cost of timber rights	114	138
Consumables	3	1
Products in process <sup>1)</sup>	200	171
Finished products <sup>1)</sup>	371	337
<b>Total</b>	<b>693</b>	<b>649</b>

<sup>1)</sup> Products in process refer to seedlings, other plants and seed. Finished products are: timber stocks, branches and treetops and tree components on the road, fuel at the terminal and seedlings.

## NOTE 19

### Trade receivables

#### ACCOUNTING PRINCIPLES

Trade receivables are classified as financial assets valued at amortised cost.

For the assessment of expected credit losses on trade receivables, Sveaskog applies the simplification, which means that the Group directly recognises anticipated credit losses for the remaining term of the asset. For this, a matrix model is used where historical losses are adjusted with forward-looking factors. The forward-looking factors are based on the assessed total creditworthiness of the customer portfolio and forecasts of GDP in the financial year and subsequent years. Impairment of trade receivables is recognised in operating expenses.

Trade receivables	Group		Parent company	
	2023	2022	2023	2022
<b>MSEK</b>				
Trade receivables, external	1,347	1,239	–	–
Provision for doubtful trade receivables	–1	0	–	–
Receivables from associates (see Note 3)	235	116	–	–
<b>Total trade receivables</b>	<b>1,581</b>	<b>1,355</b>	<b>0</b>	<b>0</b>
<i>Of which financial assets</i>	<i>1,581</i>	<i>1,355</i>	<i>0</i>	<i>0</i>

The Group's two largest customers each exceed 14 per cent of its sales and in total they account for 31 per cent (30) of its total sales. Credit insurance is handled according to the Group's insurance policy, but is not applied to major customers. Instead, an internal credit analysis is carried out and monitored on an ongoing basis. As of 31 December 2023, there were outstanding receivables from the two largest customers corresponding to 15 per cent (40) of the Group's total trade receivables at the same time.

As of 31 December 2023, trade receivables not past due amounted to MSEK 1,331 (1,331).

At 31 December 2023, trade receivables amounting to MSEK 250 (24) were overdue. In mid-January 2024, only MSEK 32 (6) was still outstanding. Through the company's model, the credit risk on the customer stock is assessed to increase slightly in the future. The main parameters are GDP growth and the credit portfolio of the past three years.

At 31 December 2023, there were trade receivables with credit insurance or a bank guarantee of MSEK 801 (632) out of a total of MSEK 1,581 (1,355). Total exposure to counterparty risk corresponds to the value on the balance sheet of the corresponding assets.

## Note 19, cont.

## Age analysis of overdue trade receivables, gross

MSEK	Group	
	2023	2022
Less than 1 month	243	24
1–3 months	5	0
3 months and longer	2	0
<b>Total overdue trade receivables</b>	<b>250</b>	<b>24</b>

## Loss reserve for anticipated credit losses on trade receivables, year-on-year change

MSEK	Group	
	2023	2022
OB loss reserve for anticipated credit losses on trade receivables	0	0
Added during the year	1	1
Settled/received during the year	–1	–1
CB loss reserve for anticipated credit losses on trade receivables	0	0

## NOTE 20

### Other receivables

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Interest-bearing current receivables</b>				
Interest-rate derivatives (see Note 22)	26	64	–	–
<b>Total</b>	<b>26</b>	<b>64</b>	<b>0</b>	<b>0</b>
<b>Current receivables, non-interest bearing</b>				
Contract assets	17	26	1	–
Advances to suppliers	152	234	–	–
Prepaid expenses	38	35	1	4
Accrued income	15	15	1	–
Other current receivables	141	83	0	1
<b>Total</b>	<b>363</b>	<b>393</b>	<b>3</b>	<b>5</b>
<b>Total</b>	<b>389</b>	<b>457</b>	<b>3</b>	<b>5</b>
– of which financial assets (excluding derivatives)	66	59	0	0

## NOTE 21

### Equity

Equity in the Group consists of share capital, reserves and earnings (including profit for the year). Equity in the parent company consists of share capital, the statutory reserve, retained earnings and profit for the year.

Dividends to shareholders are recognised as liabilities to shareholders only after the dividend has been established at the Annual General Meeting.

**Group***Share capital*

The number of shares amounts to 1 18,373,034 Class A shares with a quota value of SEK 1.

*Reserves*

Reserves consist of revaluation reserves, hedge reserves and translation reserves.

*Revaluation reserve*

The revaluation reserve consists of changes in the fair value of land assets less deferred tax (see Note 14).

*Hedge reserve*

The hedge reserve includes the effective portion of the accumulated net change in the fair value of a cash flow instrument attributable to hedge transactions that have not yet been completed.

*Translation reserve*

The translation reserve includes all translation differences arising from the translation of financial statements from foreign operations that prepared their financial statements in the currency used in the economic environment in which the respective companies are primarily active (functional currency) into SEK. The parent company and the Group present their financial reports in Swedish kronor.

*Retained earnings*

Retained earnings in the Group consist of profit for the year and earnings for the previous year after any dividend.

The Board of Directors submits a proposal for the dividend. The amount of the dividend is decided by the Annual General Meeting.

## Note 21, cont.

### Parent company

#### Non-restricted equity

Retained earnings in the parent company consist of the profit for the year and the retained earnings for the previous year after any dividend.

The Board of Directors submits a proposal for the dividend. The amount of the dividend is decided by the Annual General Meeting.

### Proposed appropriation of earnings, SEK

Unappropriated earnings at the disposal of the Annual General Meeting:

SEK	
Retained earnings	13,738,058,586
Profit for the year	259,476,201
<b>Total</b>	<b>13,997,534,787</b>

The Board of Directors proposes that the profits be appropriated as follows:

SEK	
Paid to the shareholder in dividend	1,207,000,000
Carried forward to the next year	12,790,534,787
<b>Total</b>	<b>13,997,534,787</b>

## NOTE 22

### Cash and cash equivalents, interest-bearing liabilities and other financial instruments

#### ACCOUNTING PRINCIPLES

Financial instruments recognised on the balance sheet include cash and cash equivalents, trade receivables, shares, loan receivables, interest-bearing securities and derivative instruments on the asset side. Equity and liabilities include trade payables, derivative instruments, non-current and current other liabilities and non-current and current interest-bearing liabilities.

The recognition of a financial instrument depends on how they are classified as per below.

#### Classification and valuation

##### Financial assets valued at amortised cost

This category includes cash and cash equivalents, current investments, interest-bearing receivables for instalment purchases, trade receivables and other receivables. For further information, please see cash and cash equivalents below and Note 7 Leasing agreements, Note 19 Trade receivables and Note 20 Other receivables.

##### Financial assets valued at fair value through profit or loss

Sveaskog's assets in this category consist of other non-current securities holdings and interest-bearing non-current receivables related to capital insurance. These are valued at fair value with changes in value recognised in the income statement. For further information, please see Note 16 Shares and participations.

##### Financial liabilities valued at amortised cost

This category includes all financial liabilities with the exception of financial liabilities valued at fair value through profit or loss, including derivative liabilities. For further information, please see Interest-bearing liabilities below, Note 24 Trade payables and Note 25 Other liabilities.

##### Derivatives valued at fair value through profit or loss and Derivatives used for hedge purposes

Derivatives are valued at fair value with changes in value recognised in the income statement except when hedge accounting is applied. For cash flow hedges and hedges of net investment in foreign currency, other comprehensive income is recognised. Derivatives are level 2 items. For specification of the different levels, please see Note 28 Financial risks.

### Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and short-term investments and are included in the general model for impairment. For cash and cash equivalents, the exception for low credit risk is applied.

Cash and bank balances consist of bank balances and investments that can easily be converted into cash, the latter having a maximum term at the acquisition date of three months. Carrying amount, amortised cost, is considered to be a good approximation for fair value as a discount based on current market interest rates is not deemed to lead to material differences.

Short-term investments consist of commercial paper or short-term bonds in accordance with established counterparty regulations (see Note 28). These investments have a maximum term of 12 months at acquisition and are recognised at amortised cost. The fair value is determined through a cash flow valuation. The discount rate is the rate of return received for securities with a similar credit value at the closing date.

### Interest-bearing liabilities

Interest-bearing liabilities consist of financing from the banking system via bilateral bank loan agreements and financing from the capital market through commercial paper and bond loans. Liabilities are recognised at amortised cost on the balance sheet.

In the compilation Cash and cash equivalents, interest-bearing liabilities and other financial instruments, the value of current liabilities, including accrued interest, is recognised as a good approximation of fair value. The fair value of non-current debt instruments is also shown in the table and is determined by cash flow valuation. The discount rate is based on current market rates for the respective remaining term. In the determination of the variable interest rate, the latest fixed variable interest rate (Stibor three months) is used for the respective loans in force at 31 December 2023.

The valuation is level 2; see Note 28 for a description of level 2.

Interest-bearing liabilities also include utilised overdraft facilities and leasing liabilities (see Note 7). These are also valued at amortised cost.

### Derivatives and cash flow hedges

Derivatives include futures contracts and swaps used to cover risks of exchange rate changes and exposure to interest rate risk. At present, Sveaskog does not hedge risks for changes in exchange rates related to net income. Interest rate swaps are used for hedges of interest rate risk.

In order to determine the fair value of derivatives, level-2 cash flow valuation is used. The discount rate is a market-based swap rate which is converted into a yield curve and zero coupon curve.



## Note 22, cont.

If hedge accounting is applied, and the efficiency criteria are met, the value increases and decreased on derivatives are recognised in the statement of comprehensive income. In hedge accounting, any excess ineffective component is recognised in the same way as the change in the value of derivatives that do not apply hedge accounting (see below). Compliance with hedge accounting requirements requires that there is a clear link to the hedged item and that the hedge effectively protects the hedged item. The hedge accounting complies with IAS39. The company prepares hedging documentation at each hedging occasion. Effectiveness measurement is made and documented to ensure whether or not hedge accounting is to be applied.

If hedge accounting is not applied, or if the conditions for hedge accounting are no longer met, an increase or decrease in the value of the derivative is recognised as income and expenses within the net financial items. The accrued interest is recognised as interest income or interest expense, regardless of whether the derivative is hedged or not. Gains and losses on hedges are recognised in the income statement at the same time that gains and losses are recognised for the items hedged. All of the Group's derivatives are subject to ISDA agreements, which means an offset right for assets and liabilities against the same counterparty in a credit event. Offsetting of assets and liabilities is not applied in the accounts. The table Consequence of offset rights in hedge strategies shows this offset right.

### Consequence of offset rights in hedge strategies

Amounts recognised on the consolidated balance sheet	2023	2022
<b>Assets</b>		
Derivative instruments	28	63
<b>Liabilities</b>		
Derivative instruments	4	–
Amount eligible for offset	3	63
<b>Total after offset</b>	<b>25</b>	<b>–</b>

## Note 22, cont.

## Financial instruments, Group

MSEK	Financial assets valued at amortised cost		Financial assets valued at fair value through profit or loss		Financial liabilities valued at amortised cost		Derivatives valued at fair value through profit or loss		Derivatives used for hedge purposes		Carrying amount		Fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Interest-bearing assets and liabilities</b>														
<i>Interest-bearing non-current assets</i>														
Interest-rate derivatives (nom. amount MSEK 600 (700))	–	–	–	–	–	–	13	22	15	34	28	56	28	56
Interest-bearing receivable, instalment purchases (Sveaskog Finans AB)	67	10	–	–	–	–	–	–	–	–	67	10	67	10
Interest-bearing other non-current receivables	–	–	5	5	–	–	–	–	–	–	5	5	5	5
<b>Total</b>	<b>67</b>	<b>10</b>	<b>5</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>22</b>	<b>15</b>	<b>34</b>	<b>100</b>	<b>71</b>	<b>100</b>	<b>71</b>
<i>Interest-bearing current assets</i>														
Interest derivatives (nom. amount MSEK 0 (300))	–	–	–	–	–	–	–	–	–	7	–	7	–	7
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>7</b>	<b>–</b>	<b>7</b>
<i>Cash and cash equivalents</i>														
Cash and bank balances	291	601	–	–	–	–	–	–	–	–	291	601	291	601
Current investments	247	198	–	–	–	–	–	–	–	–	247	198	248	198
<b>Total</b>	<b>538</b>	<b>799</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>538</b>	<b>799</b>	<b>539</b>	<b>799</b>
<b>Total interest-bearing assets</b>	<b>605</b>	<b>809</b>	<b>5</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>22</b>	<b>15</b>	<b>41</b>	<b>638</b>	<b>877</b>	<b>639</b>	<b>877</b>
<i>Interest-bearing non-current liabilities</i>														
MTN (Limit MSEK 8,000)	–	–	–	–	4,842	3,932	–	–	–	–	4,842	3,932	4,899	3,776
Bank facilities (Limit 4,300)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bond loans	–	–	–	–	800	800	–	–	–	–	800	800	804	802
Interest-rate derivatives (nom. amount MSEK 50)	–	–	–	–	–	–	1	–	–	–	1	–	1	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,641</b>	<b>4,732</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,643</b>	<b>4,732</b>	<b>5,704</b>	<b>4,578</b>
<i>Interest-bearing current liabilities</i>														
Commercial paper programme (Limit MSEK 5,000)	–	–	–	–	1,474	1,538	–	–	–	–	1,474	1,538	1,489	1,544
MTN (Limit MSEK 8,000)	–	–	–	–	1,340	1,600	–	–	–	–	1,340	1,600	1,324	1,603
Bank facilities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Bond loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest-rate derivatives (nom. Amount MSEK 100)	–	–	–	–	–	–	–	–	1	–	1	–	1	–
Utilised overdraft facilities and day-to-day loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,814</b>	<b>3,138</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>2,815</b>	<b>3,138</b>	<b>2,814</b>	<b>3,147</b>
<b>Total interest-bearing liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>8,456</b>	<b>7,870</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>8,458</b>	<b>7,870</b>	<b>8,518</b>	<b>7,725</b>

## Note 22, cont.

MSEK	Financial assets valued at amortised cost		Financial assets valued at fair value through profit or loss		Financial liabilities valued at amortised cost		Derivatives valued at fair value through profit or loss		Derivatives used for hedge purposes		Carrying amount		Fair value	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Non-interest-bearing financial instruments</b>														
<i>Non-current non-interest-bearing assets</i>														
Other non-current securities holdings (spec. Note 16 Shares and participations)	–	–	16	10	–	–	–	–	–	–	16	10	16	10
<b>Total</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>16</b>	<b>10</b>	<b>16</b>	<b>10</b>
<i>Current non-interest-bearing assets</i>														
Trade receivables	1,581	1,355	–	–	–	–	–	–	–	–	1,581	1,355	1,581	1,355
Other receivables	66	59	–	–	–	–	–	–	–	–	66	59	66	59
<b>Total</b>	<b>1,647</b>	<b>1,414</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,647</b>	<b>1,414</b>	<b>1,647</b>	<b>1,414</b>
<b>Total non-interest-bearing assets</b>	<b>1,647</b>	<b>1,414</b>	<b>16</b>	<b>10</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,663</b>	<b>1,424</b>	<b>1,663</b>	<b>1,424</b>
<i>Non-current non-interest-bearing liabilities</i>														
Non-current non-interest-bearing liabilities	–	–	–	–	6	6	–	–	–	–	6	6	6	6
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
<i>Current non-interest-bearing liabilities</i>														
Trade payables	–	–	–	–	806	661	–	–	–	–	806	661	806	661
Other current liabilities excluding derivatives	–	–	–	–	307	226	–	–	–	–	307	226	307	226
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,113</b>	<b>887</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,113</b>	<b>887</b>	<b>1,113</b>	<b>887</b>
<b>Total non-interest-bearing liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,119</b>	<b>893</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,119</b>	<b>893</b>	<b>1,119</b>	<b>893</b>
<b>Total financial instruments</b>	<b>2,252</b>	<b>2,223</b>	<b>21</b>	<b>15</b>	<b>–9,575</b>	<b>–8,763</b>	<b>12</b>	<b>22</b>	<b>14</b>	<b>41</b>	<b>–7,276</b>	<b>–6,462</b>	<b>–7,335</b>	<b>–6,317</b>

## Note 22, cont.

## Reconciliation of liabilities related to financing activities

Group, MSEK	2021	Cash flow	Non-cash events			Non-cash change in leasing liabilities	2022
			Acquisitions	Rate changes	Changes in fair value		
<b>Financial liabilities</b>							
Interest-bearing non-current liabilities	5,432	-700	-	-	-	-	4,732
Lease liabilities, non-current	102	-33	-	-	-	21	90
Interest-bearing current liabilities	2,672	466	-	-	-		3,138
Leasing liabilities, current	53	-13	-	-	-		40
<b>Total liabilities attributable to financing activities</b>	<b>8,259</b>	<b>-280</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21</b>	<b>8,000</b>

Group, MSEK	2022	Cash flow	Non-cash events			Non-cash change in leasing liabilities	2023
			Acquisitions	Rate changes	Changes in fair value		
<b>Financial liabilities</b>							
Interest-bearing non-current liabilities	4,732	911	-	-	-		5,643
Lease liabilities, non-current	90	-47	-	-	-	85	128
Interest-bearing current liabilities	3,138	-323	-	-	-		2,815
Leasing liabilities, current	40	6	-	-	-		46
<b>Total liabilities attributable to financing activities</b>	<b>8,000</b>	<b>547</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>85</b>	<b>8,632</b>

## Interest terms of the Group as at 31 December 2023

Nominal values, MSEK	Currency	Excluding interest-rate derivatives		Including interest-rate derivatives	
		Nominal amount	Interest rate, %	Nominal amount	Interest rate, %
Interest-bearing assets					
Current investments	SEK	250	4.25		
Cash and bank balances	SEK	599	0		
Interest-bearing liabilities					
0–1 years	SEK	4,590	3.76	3,940	3.56
1–2 years	SEK	1,400	2.96	1,400	2.96
2–3 years	SEK	500	0.71	500	0.71
3–4 years	SEK	720	3.57	820	3.18
4–5 years	SEK	1,100	4.30	1,575	3.77
5 years–	SEK	180	4.55	255	3.89



## Note 22, cont.

## Financial instruments, parent company

	Financial assets valued at amortised cost		Financial liabilities valued at amortised cost		Carrying amount	
	2023	2022	2023	2022	2023	2022
<b>MSEK</b>						
<b>Interest-bearing assets and liabilities</b>						
<i>Non-current interest-bearing assets</i>						
Receivables from Group companies	400	499	–	–	400	499
<b>Total</b>	<b>400</b>	<b>499</b>	<b>–</b>	<b>–</b>	<b>400</b>	<b>499</b>
<i>Current interest-bearing assets</i>						
Receivables from Group companies	100	301	–	–	100	301
<b>Total</b>	<b>100</b>	<b>301</b>	<b>–</b>	<b>–</b>	<b>100</b>	<b>301</b>
<b>Total interest-bearing assets</b>	<b>500</b>	<b>800</b>	<b>–</b>	<b>–</b>	<b>500</b>	<b>800</b>
<i>Non-current interest-bearing liabilities</i>						
MTN	–	–	4,843	3,932	4,843	3,932
Bank facilities	–	–	–	–	–	–
Bond loans	–	–	800	800	800	800
<b>Total</b>	<b>–</b>	<b>–</b>	<b>5,643</b>	<b>4,732</b>	<b>5,643</b>	<b>4,732</b>
<i>Current interest-bearing liabilities</i>						
Commercial paper programme	–	–	1,475	1,538	1,475	1,538
MTN	–	–	1,340	1,600	1,340	1,600
Bank facilities	–	–	–	–	–	–
Bond loans	–	–	–	–	–	–
Liabilities to Group companies	–	–	3,133	2,590	3,133	2,590
<b>Total</b>	<b>–</b>	<b>–</b>	<b>5,948</b>	<b>5,728</b>	<b>5,948</b>	<b>5,728</b>
<b>Total interest-bearing liabilities</b>	<b>–</b>	<b>–</b>	<b>11,591</b>	<b>10,460</b>	<b>11,591</b>	<b>10,460</b>

	Financial assets valued at amortised cost		Financial liabilities valued at amortised cost		Carrying amount	
	2023	2022	2023	2022	2023	2022
<b>MSEK</b>						
<b>Non-interest-bearing financial instruments</b>						
<i>Current non-interest-bearing assets</i>						
Receivables from other Group companies	866	392	–	–	866	392
Other receivables	–	–	–	–	–	–
<b>Total non-interest-bearing assets</b>	<b>866</b>	<b>392</b>	<b>–</b>	<b>–</b>	<b>866</b>	<b>392</b>
<i>Current non-interest-bearing liabilities</i>						
Liabilities to Group companies	–	–	2	–	2	–
Other current liabilities	–	–	87	59	87	59
<b>Total non-interest-bearing liabilities</b>	<b>–</b>	<b>–</b>	<b>89</b>	<b>59</b>	<b>89</b>	<b>59</b>
<b>Total financial instruments</b>	<b>1,366</b>	<b>1,192</b>	<b>–11,680</b>	<b>–10,519</b>	<b>–10,314</b>	<b>–9,327</b>

## Reconciliation of liabilities related to financing activities

Parent company, MSEK	2021	Cash flow	Non-cash events			2022
			Acquisi- tions	Rate changes	Changes in fair value	
<b>Financial liabilities</b>						
Interest-bearing non-current liabilities	5,432	–700	–	–	–	4,732
Interest-bearing current liabilities	8,303	–2,575	–	–	–	5,728
<b>Total liabilities attributable to financing activities</b>	<b>13,735</b>	<b>–3,275</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,460</b>

Parent company, MSEK	2022	Cash flow	Non-cash events			2023
			Acquisi- tions	Rate changes	Changes in fair value	
<b>Financial liabilities</b>						
Interest-bearing non-current liabilities	4,732	911	–	–	–	5,643
Interest-bearing current liabilities	5,728	220	–	–	–	5,948
<b>Total liabilities attributable to financing activities</b>	<b>10,460</b>	<b>1,131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,591</b>

## NOTE 23

### Pension commitments, pension provisions and other provisions for pensions and similar commitments.

#### Pension commitments

Sveaskog has pension commitments according to pension plans resulting from collective agreements and as a result of obligations under the incorporation agreement entered into with the State. The pension plans are either defined-contribution or defined-benefit plans and cover only unassailable pension commitments. The pension plans for employees who are active are financed mainly through premium payments to insurance companies.

#### Defined-contribution plans

The commitments relate primarily to commitments to employees linked to the SAF-LO collective pension insurance, but also to commitments relating to employees linked to the ITP-1 agreement. Commitments regarding expenses to defined-contribution plans are recognised as an expense in the income statement as they arise.

#### Defined-benefit plans

According to defined benefit plans, the size of the pension is determined by factors such as pay, period of service and age.

The commitments relate mainly to commitments to employees linked to the ITP-2 agreement and these are secured by a premium payment to Alecta. In accordance with a statement by the Swedish Financial Reporting Board (UFR 10), ITP plans secured by insurance in Alecta are to be classified as a defined-benefit plan involving several employers. There is no access to sufficient information to account for the Group's share of the defined-benefit commitment and the plan assets and expenses related to the plan. Therefore, the plan is presented as a defined-contribution plan, which means that paid premiums are recognised as an expense. For employees who are linked to defined-benefit pension plans administered by Alecta (the ITP plan) and are not included in the alternative ITP solution, the premiums in 2023 amounted to MSEK 16 (16). The expected fees to the plan for the next reporting period are MSEK 12 (9). Alecta is capitalised on a collective basis which provides a buffer for the insurance obligations against variations in capital returns and insurance risks. Surpluses may be allocated to policyholders and/or insured persons. Alecta's capital adequacy target is that 140 per cent of the assets' market value should be achieved in relation to the pension insurance commitments. The preliminary capital adequacy ratio of Alecta was 157 per cent (172) compared to commitments as at 31 December 2023. Sveaskog's share of the total number of active members in the plan amounted to 0.08 per cent (0.08), which corresponds to 290 (285) active members.

Another defined-benefit commitment relates to pensions and annuities taken over from the State in connection with the so-called incorporation agreement under which Sveaskog Förvaltnings AB took over the operations and assets of the Swedish National Forest Enterprise as of 1 July 1992 and the corresponding commitments taken over from the State in connection with Svenska Skogsplanter AB's takeover of operations and assets from the Swedish Forest Agency as of 1 July 1994. The latter commitments are now also part of Sveaskog Förvaltnings AB. In addition, there are certain temporary obligations arising from the rationalisation and restructuring of the business. Net commitment in respect of these other defined-benefit plans is calculated separately for each plan on the basis of company-specific actuarial assumptions. These include assessments of future salary adjustments, inflation rates, mortality, exit intensity and changes in base income amounts; the commitments are discounted to a present value. The discount rate is determined on the basis of the market interest rate on mortgage bonds. The valuations have been carried out by a qualified external actuary. All actuarial gains and losses are recognised in other comprehensive income when they arise.

If the benefits in a plan are improved, the share of the increased remuneration that relates to employee service in previous periods is recognised as a cost in the income statement distributed straight-line over the average period until the benefits are fully vested. If the remuneration is fully vested, a cost is recognised in the income statement directly.

The Group's recognised provisions for pensions correspond to the present value of these pension commitment in addition to ITP-2.

The commitments on the balance sheet essentially relate to commitments assumed from the State in connection with the takeover of operations and related liabilities after the takeover dates. The amount taken up includes a provision to cover certain deficiencies in the transferred data from the State. The risks associated with defined-benefit pension plans are:

- Interest rate risk: with a lower interest rate level and thus a lower discount rate, the debt increases.
- Inflation risk: with higher inflation, debt increases.
- Life expectancy: the longer the persons covered by the plan live, the higher the commitment.
- The increase in salary risk means that with increased wage increases the debt increases, but Sveaskog has no new vesting in the defined-benefit plans that are not ITP2.

For the financial risks, please see Note 28.

The defined-benefit pension commitment is calculated annually by independent actuaries. The present value of the defined-benefit commitment is determined by discounting estimated future cash flows using the interest rate for residential bonds of the same duration as the pension liability.

The following tables show an overview of the items related to the pension commitments treated as defined-benefit and funded liabilities that are included in the net cost of the benefits recognised in the consolidated income statement.

## Note 23, cont.

Group, MSEK	2023	2022
<b>Carrying amount of defined-benefit pension plans</b>		
Present value of commitments	231	248
<b>Recognised pension provisions and other provisions for pensions and similar commitments</b>	<b>231</b>	<b>248</b>
<b>Changes in recognized pension provisions in 2023 and 2022, respectively</b>		
Provisions at 1 Jan 2023 and 1 Jan 2022, respectively	248	350
Actuarial gain/loss due to changing demographic assumptions	2	–6
Actuarial gain/loss due to changing financial assumptions	–6	–42
Actuarial gain/loss due to changing experiential assumptions	18	–18
Benefits paid	–36	–40
Other changes	5	4
<b>Recognised pension provisions and other provisions for pensions and similar commitments</b>	<b>231</b>	<b>248</b>
<b>Net cost of benefits from defined-benefit pension plans</b>		
Operating cost	5	2
Interest components in this year's increase in the present value of pension commitments	8	3
Actuarial gain/loss due to changing demographic assumptions	2	–6
Actuarial gain/loss due to changing financial assumptions	–6	–42
Actuarial gain/loss due to changing experiential assumptions	18	–18
<b>Recognised pension cost</b>	<b>27</b>	<b>–61</b>
<b>Expected maturity of provisions for pensions</b>		
Within one year (Included in Interest-bearing current liabilities and provisions)	25	34
Later than within one year (Included in Provisions for pensions and Other provisions for pensions and similar obligations)	206	214
<b>Total</b>	<b>231</b>	<b>248</b>
%	31 Dec 2023	31 Dec 2022
Discount rate	3.840	3.429
Inflation index for consumer prices	2.0	2.0
Increase in base income amount	3.0	3.0
Mortality assumption	DUS23	DUS21

**Sensitivity analysis discount rate**

A discount rate increased by 1.0 per cent would entail a decrease in debt of MSEK 14 (15).  
A discount rate decreased by 1.0 per cent would entail an increase in the debt of MSEK 15 (17).

**Sensitivity analysis inflation**

An increase in inflation by 0.5 per cent would entail an increase in debt of MSEK 8 (8).  
A decrease in inflation by 0.5 per cent would entail a decrease in debt of MSEK 7 (8).

**Sensitivity analysis increase in income base amounts**

An increase in income base amount by 1.0 per cent would entail an increase in debt of MSEK 0 (0).  
A decrease in income base amount by 1.0 per cent would entail a decrease in debt of MSEK 0 (0).

**Sensitivity analysis mortality/life expectancy**

An increased life expectancy by one year would entail an increase in debt of MSEK 14 (14).  
A decreased life expectancy by one year would entail a decrease in debt of MSEK 13 (14).  
The expected weighted average duration of the current value of the commitment is as at 31 December 2023 is 6.16 years (6.30).

The discount rate is determined on the basis of the market interest rate on mortgage bonds.

## NOTE 24

### Trade payables

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Current liabilities</b>				
Trade payables	1,083	1,038	–	–
Liabilities to associates (see Note 3)	7	1	–	–
<b>Total trade payables</b>	<b>1,090</b>	<b>1,039</b>	<b>0</b>	<b>0</b>
– of which financial liabilities	806	661	0	0

## NOTE 25

### Other liabilities

MSEK	Group		Parent company	
	2023	2022	2023	2022
Contract liabilities	0	0	–	–
Derivative liabilities (see Note 22 and Note 28)	2	0	–	–
Deferred income	26	22	–	–
Accrued expenses	228	184	86	58
Other current liabilities	126	100	1	1
<b>Total other liabilities</b>	<b>382</b>	<b>306</b>	<b>87</b>	<b>59</b>
– of which financial liabilities (excluding derivatives)	308	226	87	59

## NOTE 26

### Other provisions

#### Significant judgements and estimates

##### Environment

Sveaskog regularly makes provisions for the Group's environmental commitments. These may be environmental provisions for nurseries or previous industrial activities. A commitment is recognised as a provision when an authority has announced an order for the Group to take certain measures or when it is otherwise clear what measures the Group will be forced to take in an area. All provisions are reviewed quarterly. These quarterly reviews may require adjustments to the provisions if there is a case, either on a voluntary basis or because a supervisory authority requires us to take action in an area, or if a case is extinguished due to our doing what we should do. Sveaskog engages an environmental consultant who conducts surveys and measures on our behalf and who can best estimate how much the costs may be in each individual case. Adjustments to the provisions are made after discussion with this environmental consultant. Sveaskog estimates that there is no risk of a significant increase in the coming financial year.

#### Other provisions

MSEK	Opening balance, 1 January 2022	Reversal of provisions	New provisions	Claims	Closing balance, 31 December 2022	Of which, the current part	Of which, the non- current part
<b>Group</b>							
Provisions for resource adjustment	6	-2	11	-6	9	6	3
Provision for liabilities to beneficiaries of endowment insurance	5	-	-	0	5	0	5
Forestry liability	411	-411	-	-	0	0	0
Provision for archive costs, historical impediments, dams and bridges	155	-	34	-12	177	8	169
Environmental provisions	23	-	6	-3	26	2	24
Onerous contracts, multi-injured forest and other provisions	50	-	2	-5	47	6	41
<b>Total</b>	<b>650</b>	<b>-413</b>	<b>53</b>	<b>-26</b>	<b>264</b>	<b>22</b>	<b>242</b>

MSEK	Opening balance, 1 January 2023	Reversal of provisions	New provisions	Claims	Closing balance, 31 December 2023	Of which, the current part	Of which, the non- current part
<b>Group</b>							
Provisions for resource adjustment	9	-2	3	-6	4	4	0
Provision for liabilities to beneficiaries of endowment insurance	5	-	-	0	5	0	5
Provision for archive costs, historical impediments, dams and bridges	177	0	0	-8	169	10	159
Environmental provisions	26	-1	7	-1	31	2	29
Onerous contracts, multi-injured forest and other provisions	47	-	66	-14	99	11	88
<b>Total</b>	<b>264</b>	<b>-3</b>	<b>76</b>	<b>-29</b>	<b>308</b>	<b>27</b>	<b>281</b>



## Note 26, cont.

### Provisions for resource adjustment

Provisions for a reserve for resource adjustment in Sveaskog Förvaltnings AB relate to reorganisations in 2020–2023. A provision is recognised only if the company is demonstrably obliged to terminate an employment before the normal date or when benefits are provided as an offer to encourage voluntary departure. In cases where the company terminates staff, a detailed plan is drawn up containing at least the workplace, positions and number of persons concerned, as well as the remuneration for each category of staff or position and the time of implementation of the plan.

### Provision for endowment insurance

This is reserved for the beneficiaries of the endowment insurance policies taken out in Skandia.

### Provision for archive costs

In accordance with the 1992 incorporation agreement between the State and Domain AB (today Sveaskog Förvaltnings AB, SFAB), SFAB is responsible for archive costs, so-called preservation fees, in respect of the documents of the Swedish National Forest Enterprise. The documents are archived at the National Archives. The commitment is eternal.

### Provision for historical impediments

The provision for historical impediments refers to the costs of remedying unapproved reforestations.

### Provision for dams and bridges

This provision concerns a legal maintenance obligation of substandard dams and bridges. It is complicated to replace or raise the carrying capacity of a bridge, so there will be long lead times before one can perform a bridge repair.

### Multi-damaged forest

This provision concerns a legal obligation to ensure an approved rejuvenation on a multi-damaged forest area. The Swedish Forest Agency has shown in an external inventory the problem of multi-damaged forest in northern Sweden. In 2021, Sveaskog conducted its own inventory confirming this. Sveaskog's multi-damaged forest was estimated at 100,000 ha, of which 25,000 ha were so damaged that they require a restart. Of these, Sveaskog identified that 5,000 ha needed a restart in the next three years.

### Onerous contracts

Sveaskog buys felling rights. For the felling rights that are not yet used, an assessment of impairment requirements per object and product range is made by comparing the price of the felling rights with the actual sales price on the closing date. The impairment is made as a provision for onerous contracts.

### Reconciliation with the balance sheet

		Group	
MSEK		2023	2022
Current part of provision for pensions	Note 23	25	34
Non-current part of other provisions	Note 26 table	28	22
<b>Provisions, current component</b>		<b>53</b>	<b>56</b>

## NOTE 27

### Pledged assets and contingent liabilities

MSEK	Group		Parent company	
	2023	2022	2023	2022
<b>Pledged assets</b>				
Bank funds	–	–	–	–
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Contingent liabilities</b>				
Guarantees for Biometria	20	20	–	–
Guarantees for others	3	3	–	–
Guarantees for Group companies	–	–	299	307
<b>Total</b>	<b>23</b>	<b>23</b>	<b>299</b>	<b>307</b>

## NOTE 28

### Financial risks

#### Finance policy

The Board of Sveaskog has adopted a finance policy that regulates how the financial risks to which the Group is exposed are to be managed. This policy is evaluated and revised once a year. Operational responsibility is delegated through the CEO to the CFO and on to the Head of Accounting who, in addition to the operational responsibility, is responsible for ensuring the finance function reports to the management and the Board of Directors on a monthly basis.

Financial risks refer to changes in the Group's earnings and cash flow due to changes in exchange rates, interest rates, refinancing needs and credit risk. Responsibility for reducing financial risks and carrying out current financial transactions is centralised into a Group-wide finance function. The overall objective of the finance function is to ensure cost-effective financing and to minimise negative effects on the Group's earnings that can result from price changes in the fixed-rate and foreign exchange markets.

Of the various financial risks that a company may be exposed to – financing risk, interest rate risk, credit risk/counterparty risk and currency risk – financing risk, interest rate risk and credit risk are clearly the dominant risks for Sveaskog. The currency risk is relatively small.

Sveaskog, a forest-owning and forest-managing company, finances approximately 8 per cent (8) of its assets with external loans. For this reason, great emphasis is placed on minimising both the financing risk and the interest rate risk in this borrowing. In addition, effort is made to not depend on individual sources of funding and to be restrictive in assessing counterparties when investing excess liquidity.

In order to achieve efficient management of the Group's liquidity, Sveaskog uses cash-pools with Sveaskog Förvaltnings AB as the main account holder.

#### Financing risk

The financing risk is the risk of a large loan need arising in a strained credit market situation.

In order to ensure that the Group has access to external financing at all times, the Finance Department must ensure that confirmed bank credit commitments are available. In terms of volume, they shall primarily cover outstanding commercial paper in order to eliminate the risk that it cannot be refinanced in a situation where the commercial paper market does not work.

The lender base shall consist of different sources of funding so that an excessive dependence on the individual loan market does not arise. The external lending opportunities of the Sveaskog Group consist of a mix of bank loans and market loans – commercial paper and bond loans. In this way, the Group is not dependent on one source of funding alone.

Sveaskog has not provided any collateral for these loans. The loan agreements contain a so-called negative clause, which means that no company within the Group may or can provide collateral for loans or other commercial transactions.

The current loan portfolio consists of commercial paper and bond loans. Commercial paper is, by nature, short with a maximum term of 12 months, while long-term outstanding bond loans have a term of between one and 20 years. The bilateral bank loan agreements have an average residual maturity of 1.8 years (1.5).

According to current financial policy, loan maturity should be spread over a period of at least five years, but may spread over a longer period of time. Maturity within the next 12 months shall not exceed 20 per cent of the total loan stock excluding commercial paper; if the maturity exceeds 20 per cent, they shall be neutralised by early borrowing or increased liquidity reserves. In the interval of more than one year, the maturities shall be spread as evenly as possible. At the end of the year, 19 per cent (25) of the total loan stock excluding commercial paper will mature within the next 12 months.

The loan volume under the Swedish commercial paper programme amounted to MSEK 1,500 (1,550), which is refinanced on an ongoing basis. The outstanding volume under the MTN programme at 31 December was MSEK 6,190 (5,540), of which MSEK 5,550 (4,400) refers to green bonds.

At the end of the year, Sveaskog's net financial liability amounted to MSEK 8,253 (7,433) and its maturity structure is shown in the table Liquidity risk, maturities for financial liabilities – Group.

#### Interest rate risk

For the Group, interest rate risk is the risk that cash flows caused by financial instruments vary due to changes in market interest rates. The Group is exposed to interest rate risk; how quickly a trend change in interest rates has an impact on profit and loss depends on the fixed-interest period of loans and investments. The Group's finance policy stipulates how the interest exposure is to be managed and the finance function is responsible for compliance to the policy.

The finance policy stipulates that the Group's loan stock shall have an average fixed-interest period of not less than 12 months nor exceeding 48 months. As of 31 December 2023, the average fixed-interest period on the net debt was 26.0 months (25.0) and the gross interest expense was 2.95 per cent (1.19).

The interest rate risk is managed through a balanced mix of variable and fixed interest rates on financing and, where necessary, interest rate swap contracts. The main aim of the interest rate swaps is to try to achieve the most optimal fixed interest rate period for the Sveaskog Group as possible at all times, taking into account the business cycle, interest rate levels, Sveaskog's own income statement and balance sheet and the size of the loan portfolio. The risk should be continuously monitored and action taken if necessary.

## Note 28, cont.

The long-term loans subscribed with variable interest rates have Stibor 3 months as a reference rate; changes in that interest component are secured by the interest rate swaps used by the Group. At 31 December 2023, Sveaskog had interest rate swaps with a contract amount of MSEK 750 (1,000), of which MSEK 500 (800) is subject to hedge accounting. All swap contracts mean that the Group receives variable interest rates against paying a fixed-term interest rate for the duration of the swap.

The swaps may be hedged if they effectively manage the risk they are intended to manage. In order to measure how effectively these interest rate swaps hedge the exposure, the change in value of the swap is measured against the value of the loan since the contract date. This is done by discounting the estimated cash flows. This measurement does not include the effect of a change in the creditworthiness of any of the parties to the contract.

The interest rate swaps that are hedged are subscribed at the same reference rate and the same maturity period as the loans and receive an effectiveness rate of 100 per cent. The entire change in the value of these swaps is thereby recognised in other comprehensive income in accordance with the accounting principles. If hedge accounting had not been applied, the entire annual change in other comprehensive income would have affected the Group's income via net financial income/expense in 2023.

The following table shows the fixed-contracted interest rate of these swaps, their maturity and how the hedge accounting affected the income statement and balance sheet by being booked on other comprehensive income instead of the income statement and net financial income/expense.

### Sensitivity analysis

In order to manage interest rate risk, the Group issues longer-term bonds to reduce the impact of short-term interest rate fluctuations on the Group's earnings. In the long term, however, lasting changes in interest rates will have an impact on consolidated earnings.

At 31 December 2023, a general increase in the interest rate by one percentage point would be expected to reduce the Group's profit before tax by approximately MSEK 83 (79) without taking into account the cash flow hedge. Considering cash flow hedges that do not affect the income statement through hedge accounting, the profit before tax would be reduced by approximately MSEK 78 (71). Equity would be negatively affected in the event of a general increase in interest by one percentage point in an amount of MSEK 66 (63).

### Impact of the hedge accounting on the income statement and balance sheet

Maturity	Contract amount	Fixed interest component	Total change in value	Change in value for the year
<b>Total</b>	<b>500</b>	<b>1.410</b>	<b>20</b>	<b>-27</b>
0–1 years	100	1.97		
1–2 years	–	–		
2–3 years	–	–		
3–4 years	–	–		
4–5 years	400	1.27		
5 years–	–	–		

### Credit risk/counterparty risk

Credit risk means that a counterparty in a financial transaction cannot fulfil its obligations. Financial risk management entails exposure to credit risk. For Sveaskog, this arises partly in connection with the placement of cash, but above all in connection with counterparty risks in relation to banks when purchasing derivative instruments. In order to enter into derivative transactions with the banks, Sveaskog Förvaltnings AB has so-called ISDA agreements with affected parties. The finance policy includes a specific counterparty regulation in which the maximum credit exposure of different counterparties is specified. This regulation is strict and specifies the minimum credit rating for issuers. Swedish counterparty risks shall have a rating equivalent to at least A- or A3 according to Standard & Poor's, Nordic Credit Rating, Fitch, Scope and Moody's, respectively. With two exceptions, Sveaskog only has credit risks on Swedish counterparties. In 2023, there were no credit losses for financial transactions.

The company recognises a loss reserve for anticipated credit losses on financial instruments in accordance with the three-stage model in IFRS 9. The recognition of impairment losses is governed by changes in the credit risk of the financial assets. In stage one, expected credit losses are recognised within 12 months. Stage two identifies whether the credit risk of the financial instrument has increased significantly. In stage three, anticipated credit losses are valued over the entire term. For credit risk in respect of receivables from commercial customers, there are simplifications that apply, see Note 19.

### Handling of capital

Capital means borrowed capital, both short- and long-term loans, and capital in the form of liquidity placed in bank accounts or other short-term investments. The Group's objective regarding the capital structure is to safeguard the Group's ability to continue its operations, so that it can continue to generate returns for the owner and benefit other stakeholders and to maintain an optimal capital structure to keep the costs of the capital down.

In order to maintain or adjust the capital structure, the Group may change the dividend paid to the owner, repay capital to the owner, issue new shares or sell assets to reduce the liabilities.

In 2022, new financial targets were chosen for the Sveaskog Group, which means, among other things, that the Group must maintain a net debt/equity ratio of between 0.05 and 0.30 times. This financial target is calculated as net interest-bearing debt divided by equity, calculated at the end of the year. Net interest-bearing debt is calculated as total borrowing (including the items interest-bearing current liabilities, interest-bearing non-current liabilities, lease liabilities and pension liabilities on the consolidated balance sheet) less cash and interest-bearing non-current receivables. Total capital is calculated as equity on the consolidated balance sheet plus net debt. The equity ratio at 31 December 2023 and 2022 respectively was as follows:

MSEK	Group	
	2023	2022
Total borrowings (Notes 22, 23)	8,863	8,247
Less:		
– Non-current interest-bearing receivables (Note 22)	–72	–15
– Cash and cash equivalents (Note 22)	–538	–799
Net debt	8,253	7,433
Total equity	73,808	66,192
<b>Total capital</b>	<b>82,061</b>	<b>73,625</b>
Net debt/equity ratio, times	0.11	0.11

### Currency risk

Sveaskog's currency exposure is limited. All assets are in Sweden and only a small part of the costs are in foreign currency. No currency hedges of commercial flows are currently used.

## Note 28, cont.

### Calculation of fair value

#### Securities

Fair value is based on quoted market prices on the closing date.

#### Derivative instruments

In order to determine interest rate swap prices, cash flow valuation is used. The interest rate used is the market-based rate for interest rate swaps on the closing date composed of a yield curve and then converted into a zero coupon curve.

Quoted prices (unadjusted) in active markets for identical assets or liabilities available to the entity at valuation date.

#### Level 1

For financial instruments for which quoted market prices are available, current prices are used for fair value measurement.

#### Level 2

Observable data for assets or liabilities other than quoted prices incl. in level 1, either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations). Derivatives in level 2 consist of interest rate swaps and are used for both trading and hedging purposes. The measurement of the fair value of interest rate swaps is based on swap rates obtained from a financial information system and converted to a zero-coupon curve for the measurement.

#### Level 3

Data on the asset or liability that are not based on observable market data (i.e. non-observable data).

The above table shows the fair value of the Group's forest assets and financial assets, liabilities and derivatives. Forest assets, financial assets and derivatives are valued at fair value on the balance sheet, while current and non-current financial liabilities are measured at amortised cost on the balance sheet. The table shows the fair value of the swap contracts that are hedge accounted as liabilities. The Group also has swap contracts that are not hedged but where the change in value is recognised through the income statement and under the assets in the table above. These swaps have a contract amount of MSEK 250 (200) and a fair value of MSEK 11 (22) at 31 December 2023.

Fair value, Group, MSEK	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Forest assets						
– Biological assets	–	–	–	–	50,673	47,460
– Forest land	–	–	–	–	49,548	42,028
Interest-bearing non-current liabilities	72	15			–	–
Derivative instruments	–	–	28	63	–	–
<b>Total assets</b>	<b>72</b>	<b>15</b>	<b>28</b>	<b>63</b>	<b>100,221</b>	<b>89,488</b>
<b>Liabilities</b>						
Non-current liabilities	–	–	5,704	4,578	–	–
Current liabilities	–	–	2,813	3,197	–	–
Derivative instruments	–	–	4	40	–	–
<b>Total liabilities</b>	<b>0</b>	<b>0</b>	<b>8,521</b>	<b>7,815</b>	<b>0</b>	<b>0</b>

#### Measurement techniques used to calculate fair values in Level 1

For financial instruments for which quoted market prices are available, current prices are used for fair value measurement.

#### Measurement techniques used to calculate fair values in Level 2

Current liabilities are valued at book value including accrued interest, which is assessed to provide a good approximation of the fair value. The fair value of non-current debt instruments is established using valuation models such as discounting future cash flows at listed market interest rates for the respective term. Derivatives in level 2 consist of interest rate

swaps recognised at market value or as hedge accounting. The measurement of the fair value of interest rate swaps is based on swap rates obtained from a financial information system and converted to a zero-coupon curve for the measurement. Compared with 2022, no transfers have been made between the different levels in the hierarchy and no significant changes have been made to the measurement method, data used or assumptions.

#### Measurement techniques used to calculate fair values in Level 3

The measurement technique is shown in Note 14.



## Note 28, cont.

### Liquidity risk. Maturity year of financial liabilities

Group (including future interest flows), MSEK	Between 0–3 months		Between 4–12 months		Between 12–24 months		Between 24–60 months		More than 60 months	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Borrowing (excluding financial leasing liabilities)	1,520	1,385	1,508	1,921	2,756	1,466	2,332	3,056	295	716
Derivative instruments	–2	4	16	–26	11	–13	1	–36	0	3
Lease liabilities in accordance with IFRS 16	13	15	33	25	36	28	72	42	20	20
Trade payables	777	634	3	4	11	9	15	12	0	2
Other liabilities	205	69	103	91	–	66	–	–	–	–
Financial guarantee agreements	–	–	–	–	–	–	3	3	20	20

### Issues

During the year, Sveaskog issued MSEK 4,550 (5,550) under the commercial paper programme and MSEK 2,250 (500) under the MTN programme.

In order to secure the extension of Sveaskog's current liabilities in the event of an increase in capital scarcity, Sveaskog has contracted credit facilities. These credit facilities amounted to MSEK 4,300 (4,300) at 31 December 2023. The finance policy also regulates the proportion of the loan portfolio that may mature within 12 months. At present, a maximum of 20% may mature within 12 months. The finance function reports on this to the management and Board of Directors monthly.

### Insurance policy

The Board of Directors of Sveaskog has adopted an insurance policy that regulates how the Group's risk management is to be designed and conducted. This policy is evaluated once a year. It is then the CEO who delegated through the CFO and on to the Head of Accounting to implement the policy's directives.

The biological asset, standing timber, is Sveaskog's largest asset, but also the asset that is estimated to be exposed to the single largest static risk. In the event of damage, it may temporarily cause significant costs for the Group, which could have a major impact on the Group's financial position. Therefore, great emphasis has been placed on ensuring that the Group has a forest insurance policy that covers the additional costs that may arise in connection with major damage to the standing timber in the form of storms or fires, for example. To help design suitable protection and risk coverage, the Sveaskog Group owns a so-called captive, Sveaskog Försäkrings AB. Through this captive, the Group transfers the risk of damage further out to the direct insurance market and the reinsurance market. The Group currently has protection for the biological asset that covers cost increases of up to MSEK 2,000. This amount is based partly on the experience of the storms of recent years and partly simulated together with external insurance experts.

## NOTE 29

### Significant events after the end of 2023

No other significant events have occurred since the end of the year that have not been included in the annual report.

# Alternative KPIs and definitions

The company presents certain financial measures in the interim report that are not defined in accordance with IFRS. The company believes that these measures provide valuable additional information to investors and management, as they enable an evaluation of the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with the metrics used by other companies.

These financial measures should therefore not be seen as a substitute for measures defined in accordance with IFRS. The following table presents measures that are not defined in accordance with IFRS, unless otherwise stated.

## Return on equity

**Definition:** Reported profit after tax expressed as a percentage of average equity. The Group's definition has not been changed since previous periods.

**Comment:** Sveaskog deems that this KPI measures the company's return during the year on the capital that the owner has invested in the business, and thus indicates how profitable the company is for its shareholders.

Return on equity	Full year 2023	Full year 2022
Equity, opening balance	66,192	62,516
Equity, closing balance	73,808	66,192
Average equity (OB + CB)/2	70,000	64,354
Profit for the year	3,562	1,979
Divided by average equity	70,000	64,354
<b>= Return on equity, %</b>	<b>5.1</b>	<b>3.1</b>

## Return on adjusted operating capital

**Definition:** Operating profit before change in value of biological assets, excluding capital gains on property sales, divided by average adjusted operating capital, excluding deferred tax.

**Comment:** This is one of Sveaskog's financial targets. The target is that the return shall be at least 2.5 per cent on average. The target reflects the return on Sveaskog's operating activities excluding the impact of forest valuations and temporary property sales.

Return on adjusted operating capital	Full year 2023	Full year 2022
Operating profit before change in value in biological assets	1,399	1,966
Less capital gains on property sales	-30	-26
<b>Subtotal</b>	<b>1,369</b>	<b>1,940</b>
Adjusted operating capital OB	39,850	38,621
Adjusted operating capital CB	42,179	39,850
Average adjusted operating capital (OB + CB)/2	41,015	39,236
Subtotal as above	1,369	1,940
Divided by average adjusted operating capital	41,015	39,236
<b>= Return on operating capital, %</b>	<b>3.3</b>	<b>4.9</b>

## Return on adjusted operating capital excluding equity participation in associates

**Definition:** Operating profit before change in value of biological assets, excluding capital gains on property sales and equity interests in associates, divided by average adjusted operating capital, excluding equity interests in associates and deferred tax.

**Comment:** This is one of Sveaskog's financial targets. The target is that the return shall be at least 2.5 per cent on average. The target reflects the return on Sveaskog's operating activities excluding the share of capital in associated companies without the impact of forest valuations and temporary property sales.

Return on adjusted operating capital excluding equity participation in associates	Full year 2023	Full year 2022
Operating profit before change in value in biological assets	1,399	1,966
Less capital gains on property sales	-30	-26
Less equity participation in associates	60	-574
<b>Subtotal</b>	<b>1,429</b>	<b>1,366</b>
Adjusted operating capital excl. equity participations in associates OB	38,189	37,220
Adjusted operating capital excl. equity participations in associates CB	40,849	38,189
Average adjusted operating capital excl. equity interests in associates (OB + CB)/2	39,519	37,705
Subtotal as above	1,429	1,366
Divided by average adjusted operating capital	39,519	37,705
<b>= Return on operating capital, %</b>	<b>3.6</b>	<b>3.6</b>

## Gross margin

Operating profit before depreciation and share of profit/loss in associates as a percentage of net sales.

## Adjusted operating capital

**Definition:** Total assets excluding interest-bearing assets, tax assets and assets held for sale and the land value minus non-interest-bearing liabilities and deferred tax liabilities (except the part of the land value), all calculated at the end of the year. The key performance indicator is calculated including and excluding equity participation in associates.

**Comment:** Sveaskog calculates adjusted operating capital for the key ratios return on adjusted operating capital before and after equity participation in associates and average adjusted operating capital.

	Full year 2023	Full year 2022
<b>Adjusted operating capital</b>		
Other liabilities and provisions (current)	435	362
– of which current component of pension commitment	27	33
– of which current component of pension commitment	26	23
– of which other liabilities	382	306
Balance sheet total	105,959	95,380
Less interest-bearing assets (cash and cash equivalents)	–538	–799
Less interest-bearing receivables (non-current)	–72	–15
Less tax assets	–82	–67
Less other liabilities and provisions (non-current)	–21,679	–19,351
Less trade payables	–1,090	–1,039
Less other liabilities (current)	–382	–306
Less other provisions (current)	–26	–23
= Operating capital, MSEK	82,090	73,780
Restoration of land value	–49,548	–41,689
Restoration of land value of assets subject to dividend	0	–339
Deferred tax attributable to land value	9,637	8,029
Deferred tax attributable to the land value of assets subject to dividend	0	69
<b>= Adjusted operating capital, MSEK</b>	<b>42,179</b>	<b>39,850</b>
Less equity participation in associates	–1,330	–1,661
<b>= Adjusted operating capital excl. equity participations in associates, MSEK</b>	<b>40,849</b>	<b>38,189</b>

## Capital turnover rate

**Definition:** Net sales divided by average operating capital.

## Net debt/equity ratio

**Definition:** Net interest-bearing debt divided by equity, calculated at the end of the year. The Group's definition has not been changed since previous periods.

**Comment:** Net debt/equity ratio is one of Sveaskog's financial targets. The target is a ratio in the range of 0.05–0.30. Sveaskog deems the KPI to reflect the scope for dividends and strategic investments, as well as to enable assessments of the Group's ability to fulfil its financial obligations.

	Full year 2023	Full year 2022
<b>Net debt/equity ratio</b>		
Net interest-bearing debt	8,253	7,433
Divided by equity	73,808	66,192
<b>= Net debt/equity ratio, times</b>	<b>0.11</b>	<b>0.11</b>

## Operating profit from continuing operations

**Definition:** Operating profit before change in value of biological assets, profit/loss of associate companies and capital gains from property sales.

**Comment:** The operating profit is the result of the Group's core operating activities, where the vast majority is the forest business with the purchase and sale of timber, pulpwood, wood chips and biofuel. Associates are recognised in the consolidated income statement outside operating profit because they do not constitute the Group's core operating activities.

## Earnings per share (defined in accordance with IFRS)

**Definition:** Profit for the year after tax divided by average number of shares during the year.

## Net interest-bearing debt

**Definition:** Interest-bearing liabilities less interest-bearing assets, all calculated at the end of the year. The Group's definition has not been changed since previous periods.

**Comment:** Sveaskog calculates net interest-bearing debt for the KPI net debt/equity ratio.

	Full year 2023	Full year 2022
<b>Net interest-bearing debt</b>		
Interest-bearing assets (cash and cash equivalents and non-current receivables)	610	814
Interest-bearing liabilities and provisions (non-current)	–5,848	–4,946
Lease liabilities (non-current)	–128	–90
Interest-bearing liabilities, MSEK	–2,841	–3,171
Lease liabilities (current)	–46	–40
<b>= Net interest-bearing debt, MSEK</b>	<b>–8,253</b>	<b>–7,433</b>

## Interest coverage ratio

**Definition:** Operating profit before change in value of biological assets excl. capital gains on property sales plus financial income divided by financial expenses. The Group's definition has not been changed since previous periods.

**Comment:** Sveaskog considers that the ratio shows the company's ability to cover its financial expenses (interest, etc.).

	Full year 2023	Full year 2022
<b>Interest coverage ratio</b>		
Financial items in the income statement	–226	–126
– of which financial income	39	8
– of which financial expenses	–265	–134
Operating profit before change in value in biological assets	1,399	1,966
Less capital gains on property sales	–30	–26
Plus financial income	39	8
<b>Subtotal</b>	<b>1,408</b>	<b>1,948</b>
Divided by financial expenses	265	134
<b>= Interest coverage ratio, times</b>	<b>5.3</b>	<b>14.5</b>

### Operating margin

**Definition:** Operating profit expressed as a percentage of net sales.

### Operating profit before change in value in biological assets

**Comment:** Operating profit before change in value of biological assets is operating profit before calculating forest growth according to IAS 41 and felling during the year.

### Equity ratio

**Definition:** Equity divided by total assets, all calculated at the end of the year. The Group's definition has not been changed since previous periods.

**Comment:** Sveaskog considers that this performance measure shows how large a share of the company's assets is financed with equity and indicates the company's sensitivity to interest rate fluctuations.

Equity ratio	Full year 2023	Full year 2022
Equity	73,808	66,192
Divided by total assets	105,959	95,380
= Equity ratio,%	70	69



# Declaration and signatures

The undersigned affirm that the consolidated financial statements and the annual report have been prepared in accordance with IFRS Accounting Standards (IFRS), as adopted by the EU, and generally accepted accounting principles, and provide a true and fair view of the Group's and the company's financial position and performance and that the Group administration report and the administration report provide a true and fair overview of the development of the Group's and the company's business, position and performance, and describe the material risks and uncertainties faced by the companies that are part of the Group. The undersigned also hereby submit Sveaskog's 2023 Sustainability Report. The Sustainability Report describes Sveaskog's sustainability work and is prepared in accordance with the Sustainability Reporting Guidelines published by the Global Reporting Initiative.

Sveaskog AB (publ) (556558-0031)  
Stockholm, 8 March 2024

Kerstin Lindberg Göransson  
Chair of the Board

Marie Berglund  
Board member

Uno Brinnen  
Board member

Leif Ljungqvist  
Board member

Måns Nilsson  
Board member

Kenneth Andersson  
Employee representative

Sara Östh  
Employee representative

Erik Brandsma  
President and CEO

Anna Belfrage  
Board member

Timo van't Hoff  
Board member

Elisabet Salander Björklund  
Board member

Our auditor's report regarding the company's annual report and consolidated financial statements was submitted on 8 March 2024.

KPMG AB

Joakim Thilstedt  
Authorised Public Accountant

# Auditor's report

To the General Meeting of Shareholders of Sveaskog AB (publ), Corp. ID no. 556558-0031

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Sveaskog AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 3, 14, 45–52, 63, 70–116 and 120 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 54–62. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Valuation of forest assets

See disclosure 14 in the annual account and consolidated accounts for accounting principles, detailed information and description of the matter.

### Description of key audit matter

Forest assets, in the form of land assets and biological assets, are reported as of December 31, 2023 at a total of MSEK 100,221 in the group's balance sheet, divided into MSEK 50,673 for biological assets and MSEK 49,548 for land.

The forest assets are reported at fair value, where the determination of the fair value of the forest assets is based on transaction prices for forest land in the areas where the group owns forest assets. The calculation of fair value for the forest assets contains both complexity and judgments. There is, among other things, a risk that the market transactions used as a basis for the valuation do not correctly reflect the value of the group's forest assets, which can significantly affect the reported value.

The total value of the forest assets is distributed between standing timber, which is reported as a biological asset, and land assets. The value allocated to the biological assets is determined by calculating the present value of estimated future cash flows from the growing timber. The valuation is done internally and is based, among other things, on assessments of felling and forestry plans, future sales prices, cost trends and inflation as well as discount rates.

### Response in the audit

We have evaluated the group's model to determine the fair value of the forest assets. We have reconciled used price statistics per geographical area against underlying external sources and we have verified used volumes against the underlying system. We have also read the management's documentation and justification for the additional adjustments made to the model.

For the part of the total fair value that is allocated to biological assets, we have reviewed the valuation performed by the group

and the underlying documentation to assess whether the valuation has been carried out in accordance with an established valuation technique. Furthermore, we have discussed with management and assessed the reasonableness of volume, price and cost assumptions as well as the assumed discount rate used in the model by reviewing and evaluating management's written documentation and plans.

We have also checked the completeness of the information in the annual report and assessed whether it gives a fair view of the accounting principles that are applied and reflects the assumptions that management has applied in the valuation.

### Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 4–13, 15–44, 53, 64–69, 117–119 and 124–133. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally

accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated

accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sveaskog AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

#### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions

or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

#### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 54–62 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is

different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Sveaskog AB (publ) by the general meeting of the shareholders on the 26 april 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2022.

Stockholm 8 March 2024

KPMG AB

Joakim Thilstedt  
Authorized Public Accountant

# Notes to the Sustainability Report

## S1 – Principles for sustainability reporting

### About the Sustainability Report

Sveaskog's Sustainability Report is integrated with the annual report and is produced annually. All information in this Sustainability Report relates to the financial year 1 January 2023 until 31 December 2023. The contact person for the Sustainability Report is Anna Ouchterlony, [anna.ouchterlony@sveaskog.se](mailto:anna.ouchterlony@sveaskog.se).

Sveaskog prepares a Sustainability Report in accordance with the Global Reporting Initiative's guidelines GRI Standards 2021. The table of contents for the Sustainability Report according to GRI Standards is presented in the GRI index on pages 131–133. Sustainability work is an integral part of Sveaskog's operations. In order to reflect this, the Sustainability Report is integrated into the annual report. A table of contents for the statutory sustainability report can be found on page 63. The Sustainability Report is subject to a summary review by the audit firm KPMG AB. The Board's signatures on the 2023 annual report and the auditors' review report are presented on page 120 and page 134, respectively.

### Delimitations

The data cover the whole of the Sveaskog Group unless otherwise stated. The Group includes the wholly owned subsidiary Sveaskog Baltfor SIA. The sawmill group Setra Group AB is half owned by Sveaskog AB and is not included in the Sustainability Report beyond the part of the financial performance for Setra Group AB that affects Sveaskog Förvaltnings AB's performance.

### Calculation methods

Sveaskog's goal is for the Sustainability Report to be produced in the most transparent way possible. The calculation methods used in calculating the KPIs in the Sustainability Report are presented below.

### Staff figures

The number of employees is stated as of 31 December of the current financial year and is reported in accordance with GRI Standards broken down by gender, type of employment (indefinite/fixed-term) and degree of employment (full-time/part-time) as well as age (under 30 years, between 30 and 50 years, over 50 years).

- Permanent employees (indefinite term employment) are those employees who do not have an agreed end date, but whose employment must be terminated by the employee or employer. This also includes probationary employees.
- Fixed-term employees are the employees who have an agreed end date.
- Full-time employees are employees with a degree of employment of 100 per cent.
- Part-time employees are employees with a degree of employment below 100 per cent.

The employee information in the GRI report is presented without removing those on leave and on sick leave. This may result in a role/position being counted twice in case an absence is covered by a substitute. Information about employees employed by or leaving the company during the year only includes the form of permanent employees.

### Climate impact

Sveaskog calculates the climate impact based on the GHG protocol's Corporate Standard. For delimitation and allocation between the different "scopes", Sveaskog uses operational control. Scope and delimitation are described below:

- The direct emissions, Scope 1, consist of all emissions that Sveaskog has direct control of, such as emissions generated in its own properties and from its own company cars.
- Indirect emissions from Scope 2 consist of emissions from the production of electricity and district heat purchased by Sveaskog.
- Scope 3 includes all other emissions due to Sveaskog's operations, such as different types of energy and fuel-related activities outside the business, purchased inputs, freight transport, forest management, waste management and the air and rail travel purchased by Sveaskog.

The emission sources included in the calculations are: The felling and forest management of Sveaskog's own teams and contractors, inputs and purchased goods and services including purchased timber, its own and purchased transports, roads, contracts and materials, nurseries and seed cultivation including energy, waste, materials, refrigerants and inputs such as peat and nitrogen fertilizers. Offices and premises with electricity, heating, staff travel and commuting. Wholly owned and part-owned companies, subsidiaries, rented properties and assets with electricity and heat and emissions from peat extraction. Products sold, processing of sold products and emissions in association with bioenergy.

Further information about Sveaskog's climate impact can be found on pages 40–41 and 127 (NOTE S7).

## S2 – References for calculating Sveaskog's climate benefits

Swedish Forest Agency, 2024. 01. Gross and net harvested volume (million m<sup>3</sup>fo and m<sup>3</sup>sub) by product range of stemwood. Years 1942–2022.

Swedish Environmental Protection Agency, 2023. National Inventory Report Sweden 2023.

SLU National Forest Inventory, 2024. Table 2.1 – Forest land by land-use classes according to the Forestry Act (2003 - today).

## S3 – Certificates

Sveaskog has the following certificates:

FSC® – forestry certificate for own forest and group

FSC® – traceability certificate

FSC® licence number is FSC®–C008344

PEFC–traceability certificate - PEFC/05-23-239

PEFC–direct certification of forests and contractors

ISO 14001–Environmental management system

AEO–certificate for customs simplifications/security and protection Sveaskog

## S4 – Competitors

Sveaskog's competitors in the wood raw materials market include: Bergvik Skog Öst, Holmen, SCA, Skogssällskapet, the forest owners' associations, the Church of Sweden and Sydved. Some of the companies that are competitors in the wood raw materials market can also be customers of Sveaskog when they buy pulpwood or saplings. The same companies can also be suppliers when Sveaskog buys wood raw materials to meet customer demand.



## S5 – Stakeholder dialogues

Sveaskog holds structured stakeholder dialogues that are documented. This overview presents the most important issues for the ten main stakeholders, what Sveaskog has done in these areas and what dialogue opportunities were provided in 2023.

Stakeholder	Key issues for the stakeholder group	What is Sveaskog doing	Dialogue opportunity
<b>Contractors</b>	Accommodating in their interest and wishes, long-term cooperation, good management of the consequences due to reduced felling volumes, good management of increased fuel prices. Active recruitment to forest occupations, safe working environment, profitability, fair competition, efficiency, good and close dialogue, sustainable forestry. Good conditions for contractors to perform their assignments with profitability and fulfil their commitments to staff and the general public.	Active recruitment work, long-term collaborations, strengthened coordination, good management and allocation of cost increases, labour shortages, raw material shortages and other challenges due to the situation in Ukraine and high inflation. Dialogue and follow-ups, Code of Conduct, service declaration, requirements for contractors to comply with the labour market rules in Sweden regarding employed staff and requirements on PEFC certification, active work for a safe working environment. Ensures fair competition through supplier assessments and checks. Developed the finance company Sveaskog Finans AB for attractive financing solutions. Developing the contractor portal Entrén for, among other things, training, communication and favourable purchases.	Business talks, follow-ups, checks in the field. Digital follow-up of the contractor portal.
<b>The EU and internationally</b>	Engagement and input into various EU initiatives, such as restoration, biodiversity, the Green Deal, development of sustainable forestry, forest fires, forest damage in the form of insect infestations due to climate change.	Is a leading player as a State-owned organisation, "leads the way in the issues". Action programme for sustainable forestry, FSC membership, environmental objectives, investments in research, develops climate-adapted forestry.	Dialogue with Swedish representatives, participation in the Commission's Civil Group for Forests, dialogue meetings in connection with EUSTAFOR, participation in seminars and events. Physical meetings with the Forest Academy for EU decision makers, annually with Nordic Forestry Automation.
<b>Customers</b>	Delivery reliability in volume and precision, product quality, professionalism, professional management, prices, logistics, technical development, FSC and traceability, reliability, long-term relationships, sustainable product that has positive impact on climate issues, sustainable forestry methods that strengthen biodiversity. Securing raw materials in connection with the current raw material shortage due to the war in Ukraine, rising costs and increased competition for raw materials and energy. More difficult property transactions due to worse economic conditions. Increased demand for biofuel.	Ensures delivery volumes by supplementing deliveries from Sveaskog's own forest with external purchases, measures delivery precision, FCS certification, market prices, Code of Conduct, is involved in the development of fossil-free fuels, traceability of timber, reliable, certain future forecasts, conditions for long-term customer relationships.	Business talks, Satisfied customer index, forest days, collaboration on sustainability reporting, round table discussions.
<b>Loan institutions, creditors</b>	Economic development and new targets, sustainable business, financial stability, new business opportunities. Managing climate risks.	Economic targets, follow-up of sustainability targets, finance policy, prioritises long-term business relationships and customers with profitability potential, the issuance of green bonds and climate adaptation measures.	Regular dialogue meetings.
<b>Employees</b>	Meaningfulness, good sustainability work, transition to fossil-free industry, FSC auditing, skills development and supply, collegiality and leadership, health and safety, the industrial establishment in northern Sweden/company's growth/company's development.	Internal training, internal mobility, active recruitment, developed guidelines and training in safety.	Employee development talks, leadership days, union collaboration, monthly information meetings, regional employee days, workplace meetings, revised collegiality and leadership principles "We make each other better".

## Note S5, cont.

Stakeholder	Key issues for the stakeholder group	What is Sveaskog doing	Dialogue opportunity
<b>Authorities</b>	Large industrial investments for the green transition that the forest industry is part of. National environmental objectives, Sveaskog's long-term focus and action plan for sustainable forestry, Sveaskog's research focus and its funding possibilities, forest damage in the form of insect infestations, forest fires, climate adaptation, biodiversity, co-management of forests and cloven-hoofed game linked to grazing damage. That Sveaskog is a role model in the form of the State-owned company.	Sustainable forestry programmes, annual audits, operational management systems, follow-up of targets and performance indicators. Is a leading and exemplary player with an open, clear and professional agenda.	Dialogue in collaboration meetings and information meetings on sustainable forestry action programmes, continuous check-ins at the regional and national levels.
<b>Nature conservation organisations</b>	Sveaskog's long-term focus and strategy, Sveaskog's forestry methods, Sveaskog's endeavours towards sustainable forestry, biodiversity, nature conservation, a forestry that works for climate adaptation of forest land. The biofuel industry, forest conservation areas and compensation.	Long-term focus with action programmes for sustainable forestry, environmental objectives, FSC membership. Develops forestry methods in accordance with research, investments in biodiversity and continued efforts to be a leading player and role model.	Dialogue meetings, correspondence, excursions, consultations and dialogue meetings in local communities. Quarterly within the framework of FSC.
<b>Reindeer husbandry</b>	Climate adaptation of forest land, gentle forestry measures, concessions such as wind power installations that can affect reindeer husbandry, measures for lichen growth such as increased clearing and thinning. Lower felling levels. Clearly expressed approach.	Formalised consultations according to FSC. Training and further development of web-based map data, (samplanering.se). Clearing and thinning as a measure for lichen growth in deprived and dense stocks. Conducts projects within the EU's Heureka platform on grazing access and climate adaptation of forest land. Pursues work to minimise felling levels, such as developing continuity forestry where possible. Professional and open dialogue with the Sami villages.	Consultation with the Sami villages, co-planning and collaboration within the Swedish FSC. Continuous dialogue with individual Sami villages. Joint training courses within the framework of FSC.
<b>Tourism entrepreneurs, hunters, fishermen and others</b>	Sveaskog's management of forest and cloven-hoofed game, grants leases for land, forest and land for outdoor activities, the impact of forestry on outdoor activities, Sveaskog's forest management, grazing damage, lease prices. Increased cooperation on water management, wildlife management, biodiversity and forest recreation. Sveaskog manages the forest in line with the stakeholders' requirements.	Pays attention to citizens' wishes and invests in outdoor areas and ecoparks, roads and signs, maps and information on the website. Is a knowledgeable player who works in an evidence- and decision-based way. Improved dialogue on the management of wildlife, water and biodiversity.	Elk management meetings, collaboration meetings, hunting leader meetings, business talks, continued development of short-term hunting. Monthly and several times a year. The Swedish Outdoor Association - Friluftsrådet and Birdlife within the framework of FSC.
<b>Timber suppliers</b>	Profitability, labour supply, current commodity shortages, cost increases, long-term collaborations, market prices, quality in felling assignments, skills supply, sustainable forestry, information about Sveaskog's operations, the future development of forestry.	Professional action in business and delivery contexts, market prices, FSC planning on felling assignments, information activities, creates the conditions for close collaboration. Reliable, certain future forecasts.	FSC collaboration, business talks on a monthly basis.
<b>Owner</b>	Fulfilment of the financial targets, special assignments, sustainable entrepreneurship, employee development, sustainable forestry that protects biodiversity, national and international environmental and climate objectives, stakeholder dialogues and the trust in Sveaskog's forestry. Good balance in expectations of Sveaskog.	Continuous development to be a leading player, measures for forestry with variation, creates value in the forest, measures to meet the financial targets, goals and strategies for sustainable business, clearer accounting of and processes surrounding the work for sustainable forestry, and to achieve set environmental and climate objectives.	Annual General Meeting, Board meetings, dialogues between the Chair of the Board, the CEO, and the Government Office. Network meetings with State-owned companies arranged by the Government Office. In addition, meetings with committees in the Swedish Parliament.

## S6 – Environment and nature conservation – GRI 304

Sveaskog's nature conservation set-asides may take the form of formally protected areas or voluntary set-asides. Sveaskog's ambition is for 20 per cent of the productive forest land to be managed as conservation area. This refers to the forest below the montane forest region.

This is achieved in three different ways: ecoparks, high conservation value forests and so-called areas of consideration for nature which are left untouched in production for-

ests. The ecoparks comprise a total of 140,000 hectares of productive woodland below the montane forest region, of which 80,000 hectares are set aside as high conservation value forests. The montane forest region includes an additional 34,000 hectares of ecoparks, all of which are set aside as nature conservation areas.

The current focus on nature conservation in the production forest will in the long term amount to 220,000 hectares. Of this area, 65,000 hectares have so far been left untouched as consideration for nature areas in connection with felling. The remaining 155,000 hectares are added to future planning for felling. In the montane forests, Sveaskog has set aside approximately 80,000 hectares for nature conservation, of which 34,000 hectares are located in ecoparks.

### Nature conservation area below the mountain forest region:

Definition	Status 31 Dec. 2023	Size	Measurement third parties	Cooperation
Ecoparks	37 ecoparks have been created. Ecopark agreements with the Swedish Forest Agency are available for all of these ecoparks.	80,000 hectares	The Swedish Forest Agency, County Administrative Boards	50-year agreements with the Swedish Forest Agency and annual management meetings
High conservation value forests	Reported at <a href="http://www.sveaskog.se">www.sveaskog.se</a> All are continuously quality assured out in the field.	300,000 hectares	The Swedish Forest Agency, County Administrative Boards	The Swedish Forest Agency, County Administrative Boards
Nature consideration in the production forest	Verification consideration follow-up	220,000 hectares	The Swedish Forest Agency's follow-up,	Method development with the Swedish Forest Agency
– Of which nature considerations in felling	(99% target)		FSC® audit	
– Of which nature consideration in future planning for felling		-65,000 hectares		
		-155,000 hectares		
Sveaskog's total conservation area below the montane forest region		600,000 hectares		

### Nature conservation in the mountain forest region:

Definition	Status 31 Dec. 2023	Size	Measurement third parties	Cooperation
Sveaskog's boundary with the montane forest region is based on the Forestry Act and FSC®	Nature reserves and ecoparks are formed and quality assurance of nature conservation forests is ongoing	80,000 hectares	The Swedish Forest Agency, County Administrative Boards FSC® audit	Dialogue with the Swedish Forest Agency
Sveaskog's total conservation area including the montane forest region		680,000 hectares		

## S7 – Environmental data – GRI 305

Energy use	2023	2022 <sup>3)</sup>	2020
Non-renewable fuels, TJ	1,185	1,244	1,590
Renewable fuels, TJ	4,270	4,046	4,827
Indirect energy use, MWh	15 537	15,956	13,656
<b>Emissions to air<sup>1)</sup></b>			
CO <sub>2</sub> e, ktonnes <sup>2)</sup>	260.2	265.1	302.7
Of which direct emissions, Scope 1, ktonnes	9.3	10.3	14.9
Of which indirect emissions, Scope 2, ktonnes	0.94	0.77	0.72
Of which indirect emissions, Scope 3, ktonnes <sup>4)</sup>	249.9	254.1	287.0

<sup>1)</sup> Sveaskog has made two deviations from the reporting requirements according to GRI 305. The first refers to disaggregated data for different gases; these are reported as carbon dioxide equivalents since aggregated emission factors would provide an incomplete picture of the distribution. The most significant occurrence of greenhouse gases other than carbon dioxide is nitrous oxide that is released during the application of nitrogen-containing manure. The second concerns assumptions and methods where different assumptions and methods are used depending on the emission source.

<sup>2)</sup> Sveaskog reports all greenhouse gases according to the GHG-protocol guidelines (Greenhouse Gas Protocol). The calculations are based on an "operational control approach" with a "market based method" and the GWP 100 according to the IPCC AR6.

<sup>3)</sup> Due to a correction of the emission factor for reduction obligation diesel, the 2022 values have been adjusted in relation to the reported emissions in last year's annual report. Reported emissions for 2022 were then: CO<sub>2</sub>e fossil 258.6 ktonnes, Scope 1: 9.7 ktonnes, Scope 2: 0.77 ktonnes and Scope 3: 248.1 ktonnes.

<sup>4)</sup> Scope 3 contains all relevant categories with the exception of the downstream transport operations carried out from customers' customers. The four largest emission categories in Scope 3 are upstream transport, processing of sold products, purchased goods and services including purchased timber and felling forest management. These jointly account for about 80 per cent of the emissions in scope 3.

# Employee data

Refers to the entire Sveaskog Group unless otherwise stated. All employees accounted for have employment contracts with the Group.

## S8 – Number of employees – GRI 2-7<sup>1)</sup>

Employees	2023	2022	2021	2020
<b>Total number of permanent employees</b>	756	700	711	713
Of which, percentage of women, %	31.2	29.6	27.0	–
<b>Number of collective employees</b>	188	190	197	217
Of which, percentage of women, %	13.8	14.2	13.1	12.8
<b>Number of white-collar workers</b>	568	510	475	496
Of which, percentage of women, %	37.0	35.3	33.2	–
<b>Number of consultants<sup>2)</sup></b>	348	340	–	–
<b>Percentage of full-time employees</b>	99.6	99.7	98.7	98.9
Of which women, %	31.2	29.4	26.6	–
<b>Percentage of part-time employees</b>	0.4	0.3	1.3	1.1
Of which women, %	33.3	50.0	55.6	–

<sup>1)</sup> Collective employees are those covered by collective agreements between a trade union within LO and an employers' union. An official is the one covered by a collective agreement between a trade union within PTK and that of an employers' association.

<sup>2)</sup> The number of consultants refers to those who have had an active agreement at some point in 2023 and cannot be reported by gender. The number of contractors engaged cannot be reported.

## S9 – Breakdown by business area – GRI 2-7<sup>1)</sup>

At the turn of the year 2022-2023, Sveaskog carried out an organisational change. From 1 January 2023, Sveaskog's business activities are carried out in different operating areas, an operational unit divided into five regions – Götaland, Svealand, southern Norrland, Västerbotten and Norrbotten, which is supplemented by a forestry unit, the business area Svenska Skogsplantor, Group functions and the operations in Baltfor. Therefore, due to the reorganisation, historical figures for the distribution cannot be presented.

Breakdown by area of activity	2023
<b>Operating activities<sup>2)</sup></b>	
Permanent employees	438
Temporary employees	127
Of which, percentage of women, %	21.1
<b>Group functions</b>	
Permanent employees	179
Temporary employees	26
Of which, percentage of women, %	46.3
<b>Svenska Skogsplantor</b>	
Permanent employees	139
Temporary employees	100
Of which, percentage of women, %	40.2
<b>Baltfor (Latvia/Lithuania)</b>	
Permanent employees	49
Temporary employees	0
Of which, percentage of women, %	14.3

<sup>1)</sup> The share of women/men is reported only for the total per area of activity and not distributed per permanent, full-time/part-time or fixed-term employee.

<sup>2)</sup> For the operating activities, this year we report only for the total and not divided into the different regions and units as changes have occurred during the year.

## S10 – Employee turnover – GRI 401-1

2023	Started	Finished		
Total				
Number of women	40	24		
Number of men	64	50		
Total per age group				
< 30 years	18	7		
30 - 50 years	66	42		
> 50 years	20	25		
Total by business area				
Operating activities	56	31		
Group functions	33	19		
Svenska Skogsplantor	15	24		
Baltfor (Latvia/Lithuania)	9	1		
Employee turnover over time, %				
2023	2022	2021	2020	
Total	9.8	8.2	9.1	7.4

## S11 – Employee distribution – GRI 405-1 and 405-2

Diversity of management and employees, %	2023	2022	2021	2020
<b>Total</b>				
Percentage of women	30.7	30.3	28.4	25.3
Percentage of men	69.3	69.7	71.6	74.7
<b>Board of Directors<sup>1)</sup></b>				
Percentage of women	50.0			
Percentage of men	50.0			
Share of the Board of Directors that is under 30 years of age	0.0	0.0	0.0	–
Share of the Board of Directors aged 30-50	0.0	0.0	12.5	–
Share of the Board of Directors that is over 50 years of age	100.0	100.0	87.5	–
<b>Group management</b>				
Percentage of women	50.0	63.6	62.5	75
Percentage of men	50.0	36.4	37.5	25
Share of Group management that is under 30 years	0.0	0.0	0.0	–
Share of Group management aged 30-50	20.0	18.2	12.5	–
Share of Group management over 50 years of age	80.0	81.8	87.5	–
<b>Management positions</b>				
Percentage of women	31.1	29.6	26	29
Percentage of men	68.9	70.4	74	71
<b>White-collar workers<sup>2)</sup></b>				
Percentage of women	36.8	34.2	35.2	33.4
Percentage of men	63.3	65.8	64.8	66.6
Percentage of white-collar workers under the age of 30	8.1	9.6	6.6	–
Percentage of white-collar workers aged 30-50	53.3	54.1	56.9	–
Percentage of white-collar workers aged over 50	38.6	35.8	36.5	–

Diversity of management and employees, %	2023	2022	2021	2020
<b>Collective employees<sup>2)</sup></b>				
Percentage of women	21.7	13.7	21.4	12.8
Percentage of men	78.3	86.3	78.6	87.2
Share of collective employees under 30	28.6	32.7	23.8	–
Share of collective employees aged 30-50	29.9	27.8	34.7	–
Share of collective employees aged over 50	41.5	39.5	41.3	–
<b>Distribution salary<sup>3)</sup></b>				
White-collar workers, Women's median in relation to men's	100	95	93	98
Collective employees, Women's median in relation to men's	85	88	89	84
<b>Percentage of employees with a foreign background<sup>4)</sup></b>	<b>6.9</b>	<b>6.9</b>	<b>7.1</b>	<b>4.0</b>

<sup>1)</sup> The Board of Directors is elected by the Annual General Meeting.

<sup>2)</sup> The gender and age distribution of white-collar workers and collective employees includes both permanent and fixed-term contracts.

<sup>3)</sup> The comparison above does not take into account that different requirements are made in different positions, but only gives a summary picture of the salary structure per contract area. Until 2020, salary data and the number of employees only refer to permanent employees in Sweden (excluding foreign subsidiaries). As of 2021, the salary data and the number of employees both refer to permanent and fixed-term employees in Sweden (excluding foreign subsidiaries)

<sup>4)</sup> Foreign-born or domestic-born with two parents born abroad

## S12 – Percentage of employees receiving regular performance and career development reviews – GRI 404-3

The employee development talk is a strong and effective instrument for steering towards Sveaskog's vision and goals, as it provides an opportunity to communicate goals, plans and goal attainment. Well-conducted employee development talks are also often a prerequisite for a manager to be able to capture the employee's training needs in his/her position as well as any requests for further development.

At Sveaskog, all permanent employees must have at least one employee development talk during a 12-month period and the talk

must be of good quality. Support documents, checklists and HR systems are available to assist in holding the talk. According to the latest employee survey in 2023, 81 per cent of women and 77 per cent of men have had employee development talks during the last 12-month period. Among the white-collar workers, this figure is 81 per cent, among the collective employees 69 per cent and among the permanent employees, the figure is 80 per cent.



### S13 – Injuries and sick leave – GRI 403-9 and 403-10<sup>1)</sup>

Work-related injuries and sick leave	2023	2022	2021	2020
Sick leave, %	3.5	4	3.9	3.1
Percentage of women	5.9	6.6	5.8	3.8
Percentage of men	2.5	3.0	3.2	2.9
Total by category				
Long-term sick leave in relation to total sick leave, %	60.3	44.9	56.0	41.8
Number of days of absence due to occupational injury	82	192	119	210
Number of reported occupational injuries	4	10	11	–
Reported occupational injuries /1000 work years <sup>2)</sup>	4.8	12.9	13.9	20.2
Sick leave due to occupational injury, %	4.8	12.0	12.0	13.0
Long-term healthy, % <sup>3)</sup>	25.9	26.8	31.6	30.6

<sup>1)</sup> For 2023, the most common reasons for sick leave due to occupational injury were slip-and-fall accidents as well as "minor physical injury", such as sprained feet, damaged finger/hand. In the case of other sick leave, long-term sick leave is usually due to fatigue/burn-out or other injuries and diseases (e.g. back problems). Shorter sick leave (7-20 days) was due to, for example, cold symptoms or flu.

<sup>2)</sup> Occupational injuries: accidents, road accidents, work-related illnesses that are deemed to lead to absence at the time of reporting. Minor injuries at the first aid level are also included. The occupational injuries are recorded in the tool SKIA. SKIA is the forest industry's information system on the working environment provided by AFA insurance to the industry. Any occupational injury in Baltfor is not registered in SKIA and is therefore not included in the calculation. Accidents per business area are not reported, but follow-up takes place in the local safety committees within each market area. No fatal accidents occurred during the year.

<sup>3)</sup> Percentage of employees who have been employed for at least three years and have not had sick leave in the past two years. Employees in Sveaskog Baltfor are not included.

### S14 – Training hours<sup>1)</sup> – GRI 404-1

Total average hours per employee	2023	2022	2021	2020
White-collar workers	29	29	24	34
Collective workers	55	55	36	41
Average men	43	38	30	–
Average women	45	39	25	–

<sup>1)</sup> The number of training hours is recorded in the tool Medvind and the compilation comes from the reporting that each employee does themselves. We believe the actual number of hours is higher as there are cases where employees miss reporting their completed training hours.

### S15 – Share of the workforce covered by collective agreements – GRI 2-30

In Sweden, all employees (100 per cent) are covered by collective agreements. Employees of the subsidiary SIA Sveaskog Baltfor based in Riga, Latvia are not covered by collective agreements. The share of the Group's employees covered by collective agreements is 95 per cent.

### S16 – Occurrence of victimisation and discrimination – GRI 406

Our Code of Conduct and employee policy clarify our position on discrimination. We shall show each other respect and discrimination must not occur in our workplaces. Sveaskog does not accept any form of offensive discrimination. Offensive treatment or discrimination means acts that are directed at one or more employees in an offensive manner that can lead to ill health or exclusion or alienation from the community of the workplace. Employees are obliged to comply with the Code of Conduct and managers are responsible for compliance with the Code in the daily work. Employees or stakeholders who think that Sveaskog is in breach of the Code of Conduct can report this. The report can be made to the Chief Legal Officer, or to the HR Director, as well as a whistle-blower function on Sveaskog's website. In cases of abusive/negative discrimination, we must intervene with strong measures according to law and Sveaskog's internal guidelines. No case of offensive discrimination was reported in 2023. In the employee survey in January 2024 (which refers to the past year), the proportion who feel that they have been exposed to some form of offensive discrimination by an internal colleague/manager was 8 per cent (due to organisational change, no employee survey was carried out in January 2023).

In order to prevent discrimination, all employees completed the Diversity tool training in 2021 and 2022. This is a web training with discussion and reflection questions linked to all grounds for discrimination. In the employee survey in January 2024 (which refers to the past year), the share of those who feel that they have been disadvantaged by the employer due to any or some grounds for discrimination, such as with regard to promotion, skills development or salary, was 7 per cent (due to organisational change, no employee survey was conducted in January 2023).

## S18 – GRI-index

GRI-standards 2021	Indicator		Page reference	Comment/omission
<b>GRI 2: General Disclosures</b>	<b>No</b>	<b>English</b>		
	2-1	Organisational details	82	
	2-2	Entities included in the organisation's sustainability reporting	124	
	2-3	Reporting period, frequency and contact point	124	
	2-4	Restatements of information	127	Note S7
	2-5	External assurance	120–123, 134	
	2-6	Activities, value chain and other business relationships	14, 23–25	
	2-7	Employees	128	
	2-8	Workers who are not employees	128	
	2-9	Governance structure and composition	54–58	
	2-10	Nomination and selection of the highest governance body	54–58	
	2-11	Chair of the highest governance body	58–60	
	2-12	Role of the highest governance body in overseeing the management of impacts	54–58	
	2-13	Delegation of responsibility for managing impacts	54–58	
	2-14	Role of the highest governance body in sustainability reporting	54–58	
	2-15	Conflicts of interest	54–58	
	2-16	Communication of critical concerns	58	
	2-17	Collective knowledge of the highest governance body	59–62	
	2-18	Evaluation of the performance of the highest governance body	57	
	2-19	Remuneration policies	56	
	2-20	Process to determine remuneration	56	

GRI-standards 2021	Indicator		Page reference	Comment/omission
	2-21	Annual total compensation ratio	56	Limited to Board of Directors
	2-22	Statement on sustainable development strategy	28	
	2-23	Policy commitments	54–58, 130	
	2-24	Embedding policy commitments	18, 43–48	
	2-25	Processes to remediate negative impacts	58	
	2-26	Mechanisms for seeking advice and raising concerns	54–58	
	2-27	Compliance with laws and regulations	N/A	No incidents in 2023 to report
	2-28	Membership associations	N/A	FSC, PEFC, SLA, Eustafor, Bioinnovation
	2-29	Approach to stakeholder engagement	20, 42, 125–126	
	2-30	Collective bargaining agreements	130	Note S15
<b>GRI 3: Material Topics 2021</b>	3-1	Process to determine material topics	43	
	3-2	List of material topics	35–39, 43	

## S18 – GRI-index, cont.

### Significant sustainability areas

				Page reference
Investments in forests and forestry	<b>Economic performance</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	28–29
	201: Economic performance	201-1	Direct economic value generated and distributed	75, 83–88
	<b>Company-specific area</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	34–37
	<i>Own indicators</i>			
	Optimal plant choice			35
	Increase in new tree species, larch and birch			35
	More clearance in reindeer husbandry area			35
Increased ecological values of land holdings	3-3 Management of material topics	3-3	Process to determine material topics	34–37
	304: Biodiversity	304-3	Habitats protected or restored	32, 127
Company-specific area	3-3 Management of material aspect	3-3	Process to determine material topics	34–37
	<i>Own indicators</i>			
	Environmental values are achieved in forestry without major impact			39
Strong partnerships and collaborations	<b>Company-specific area</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	25–26
	<i>Own indicators</i>			
	Satisfied customers			38
	Satisfied suppliers			38
Efficient and considerate delivery	<b>Company-specific area</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	14, 23–24
	<i>Own indicators</i>			
	Efficient delivery			38
	Considerate delivery			38
	<b>Reduced CO<sub>2</sub> emissions across the whole value chain</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	40–41
	305: Emissions	305-1	Direct (Scope 1) GHG emissions	127
		305-2	Energy indirect (Scope 2) GHG emissions	127
		305-3	Other indirect (Scope 3) GHG emissions	127
		305-5	Reduction of GHG emissions	41

## S18 – GRI-index, cont.

Significant sustainability areas				Page reference
Acceptance of and confidence in our forestry	<b>Company-specific area</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	23–24
	<i>Own indicators</i>		Brand index	39
			Reputation index	39
A strong corporate culture	<b>Employees</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	21–22
	401: Employees	401-1	New employee hires and employee turnover	128
	<b>Diversity and equal opportunity</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	21–22
	GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	129
		405-2	Ratio of basic salary and remuneration of women to men	129
	<b>Non-discrimination</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	21–22
	GRI 406: Non-discrimination	406-1	Occurance of victimisation and discrimination	130
	<i>Own indicators</i>		Number of employees who have experienced discrimination or victimisation	130
	<b>Working environment, safety and health</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	21–22
	403: Occupational health and safety	403-9	Work-related injuries	130
		403-10	Work-related ill health	130
	<b>Skills development</b>			
	3-3 Management of material topics	3-3	Process to determine material topics	21–22
	404: Training and education	404-1	Average hours of training per year per employee	130
		404-3	Percentage of employees receiving regular performance and career development reviews	129

# Combined assurance statement

## Auditor's Limited Assurance Report on Sveaskog AB (publ)'s Sustainability Report and statement regarding the Statutory Sustainability Report Sustainability Report

To Sveaskog AB (publ), Corp. id. 556558-0031

### Introduction

We have been engaged by the Board of Directors of Sveaskog AB (publ) to undertake a limited assurance engagement of Sveaskog AB (publ)'s Sustainability Report for the year 2023. Sveaskog AB (publ) has defined the scope of the Sustainability Report and the Statutory Sustainability Report on page 124 in this document.

### Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 124 in the Sustainability Report and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have

performed and to express an opinion regarding the Statutory Sustainability Report. Our responsibility is limited to the historical information reported and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised) *Assurance engagements other than audits or reviews of financial information*. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR:s accounting standard RevR12 *The auditor's opinion regarding the Statutory Sustainability Report*. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Sveaskog AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

### Conclusions

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

A statutory sustainability report has been prepared.

Stockholm, March 8th 2024

KPMG AB

Joakim Thilstedt  
Authorised Public Accountant

Torbjörn Westman  
Expert member of FAR



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**Production:** Sveaskog in collaboration with Hallvarsson & Halvarsson.

Sveaskog, a state-owned company, is the largest forest owner in Sweden. The company's core business is to manage the forest, and provide timber, pulpwood, wood chips, biofuel, seedlings and forest services. In addition, the company makes land deals and develops the forest as a place for fishing, hunting and other nature experiences.

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