

# 2024



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Sveaskog’s own forests are certified according to both FSC® and PEFC standards, FSC® -C 012140,PEFC/05-23-239.



# The report in brief

Sveaskog's green framework is aligned with the EU taxonomy and was published in 2023. The framework has been reviewed by CICERO Shades of Green (S&P Global), which awarded the framework the highest rating on the scale, "Dark Green", as well as the "Excellent" rating for corporate governance.

CLIMATE BENEFIT PER MILLION INVESTED

## 198 tonnes CO<sub>2</sub>/MSEK

The framework's total issues up to and including 1 January 2024	MSEK 7,650
Issues in 2024	MSEK 2,100
Of which financing of sustainable forest management	MSEK 1,424
Of which investment in forest property	MSEK 48
Of which investment in research and development	MSEK 11
Of which refinancing of forest property acquisitions	MSEK 128
Of which remaining financing from 2023	MSEK 489

See page 11 for further description of calculation of the climate impact of issues.

### Bonds issued in 2024

Date	16 April 2024
Maturity	5 years
Issue volume	MSEK 350
Maturity date	16 April 2029
Type of bond	BOND
Coupon	3.775%
ISIN	SE0013105988

Date	3 October 2024
Maturity	5 years
Issue volume	MSEK 900
Maturity date	3 October 2029
Type of bond	BOND
Coupon	2.775%
ISIN	SE0022420238

Date	16 April 2024
Maturity	5 years
Issue volume	MSEK 450
Maturity date	16 April 2029
Type of bond	FRN
Coupon	Stibor 3M + 90 points
ISIN	SE0013105970

Date	3 October 2024
Maturity	5 years
Issue volume	MSEK 400
Maturity date	3 October 2029
Type of bond	FRN
Coupon	Stibor 3M + 75 points
ISIN	SE0022420220



# Foreword

**Sveaskog's green bond framework finances the company's investments in sustainable forestry. As Sweden's largest forest owner, the company's forest raw material is of great importance in the effort to replace fossil-based materials.**

When Sveaskog updated its green bond framework in 2023, Sveaskog became the first forest company in Europe to align the criteria with the EU taxonomy for sustainable financing. The new framework thereby takes into account the EU's proposed standard for green bonds.

As with the earlier 2017 framework, the current framework has been developed in accordance with the International Capital Market Association (ICMA) "Green Bond Principles". The framework has been third-party verified by CICERO Shades of Green (S&P Global) with the highest rating of "Dark Green" and with "Excellent" for corporate governance.

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

As Sweden's largest forest owner, with 14 per cent of Sweden's forest land, Sveaskog endeavours to increase forest growth through sustainable forestry, which creates more wood raw materials that can replace fossil-based materials and increases the uptake of carbon dioxide in the atmosphere.

In the short term, the carbon sink could be increased by further reducing felling and increasing set-asides, but this is a temporary effect. As the forest ages, growth and with it carbon sequestration decrease, while at the same time the risk of windthrows, forest fire and insect infestations increase. Active cultivation therefore leads in the long term (about 30 years) to a larger carbon sink in the forest, while at the same time creating climate benefits and contributing to the bio-economy through a continuous flow of renewable raw materials.

Sveaskog's framework for Green Bonds and Cicero's statement may be found under [Green Bonds](#) at [sveaskog.se](#)



# Green bonds in accordance with the green framework

Sveaskog's green bonds finance costs and investments that are eligible and aligned activities according to the company's taxonomy report in section 1.3 Forest management. The activities include all stages of the forest management cycle, including those included in the Nordic model of forestry that Sveaskog applies. Forest property acquisitions and investments in research and development are also taxonomy-aligned activities.

Regarding the green bonds, a more limited selection has been made compared to the taxonomy report under the categories of sustainable forestry and research and development in order to concretise the effects of the investments and costs, which is why the total amounts of the included activities differ. Examples of selections made for sustainable forestry are that certain types of felling costs are not included and that overall administrative costs are not included. The same applies to research and development where only pure project costs are included and no administrative costs.

Regarding investments (capex), the difference from the higher amount in the taxonomy report is due, among other things, to investments in roads and production machinery and changes in "investment and revaluation" of leasing not being included in this report. Below is a more detailed description of the activities financed by the company's green bonds.

## Sustainable forestry

### Forest management

#### Planting

After felling, new saplings are planted. Well-executed regeneration is the first important step in ensuring the quality and value of the new forest. With the new sapling in the soil, carbon dioxide starts to be absorbed back into the forest stand and from 10–30 years onwards (different in different parts of the country) there is a positive net sequestration. Every year, Sveaskog plants 40–50 million new saplings.

#### Cleaning

Through cleaning, the stand development is controlled so that the best trunks with the highest quality have room to develop optimally. The purpose of the cleaning is to optimise the growth of the trunks that are left behind by removing competing trees, but

cleaning also opens up the forest, thus making it more attractive for outdoor activities after a few years. Cleaning is normally performed once or a couple of times before the stand turns 30.

#### Thinning

Thinning further improves the quality of trees left behind. A forest is normally thinned between one and three times during its growth period. The goal of thinning is to optimise the proportion of timber at final felling, i.e. the proportion of wood that can be used for long-lived products such as sawn timber. Tree trunks harvested during thinning are primarily used for pulpwood, but also timber and bioenergy.

Sveaskog's total investment and costs for forest management during the reporting period amounted to MSEK 918, of which MSEK 790 was financed via green bonds.

#### Fertilisation

Fertilisation is an effective way of increasing growth and thus also carbon sequestration. Usually, a forest stand is fertilised 10–15 years before felling and the increased growth is estimated to be between 10–20 m<sup>3</sup> per hectare. Sveaskog's total cost for fertilisation during the reporting period amounted to MSEK 30, of which MSEK 24 was financed via green bonds.



For Sveaskog's full report on the EU taxonomy, see [Sustainability Report](#), pages 64–67.

### Harvesting

All forests sequester carbon dioxide, but tree growth decreases with age, and thus also their ability to sequester additional carbon dioxide. The managed forest therefore contributes to the greatest climate benefit in the long term as high growth persists.

Every year, Sveaskog performs thinning and harvesting on approximately 40,000 hectares or approximately one per cent of our land. Sveaskog works actively to prevent a negative environmental impact during harvesting and aims to ensure that 99 per cent takes place without a serious impact on conservation and cultural values.

Before each harvesting and the last thinning, a conservation value assessment is carried out and environmental considerations are planned in detail. In all forestry measures, environmental considerations are taken into account, including extended water's edge zones, the leaving behind of valuable trees and biotopes requiring consideration. On average, 15 per cent was left behind as an environmental consideration during harvesting in 2024.

Road building costs are also included here. Roads are planned and built in accordance with the forestry plans to provide access to the areas being managed.

Sveaskog's total cost for harvesting and road building during the reporting period amounted to MSEK 720, of which MSEK 582 was financed via green bonds.

### Nature conservation

An important component of sustainable forestry is nature conservation measures. Regarding the forms of nature conservation work, Sveaskog has developed its own strategy.

The company works with multiple tools at different scales, ranging from environmental considerations during felling to areas set aside for high conservation value forests and large continuous landscapes that are known as Ecoparks. With the help of active nature conservation management measures, high conservation values are restored and strengthened.

Investments in nature conservation over the years have resulted in Sveaskog setting aside around 500,000 hectares of conservation forests, which corresponds to more than 16 per cent of the total forest land holdings.

Sveaskog's total cost for nature conservation during the reporting period amounted to MSEK 33, of which MSEK 27 was financed via green bonds.



SVEASKOG'S TOTAL INVESTMENTS AND COSTS DURING  
THE REPORTING PERIOD FOR SUSTAINABLE FORESTRY

# MSEK 1,701

OF WHICH FINANCED  
BY GREEN BONDS

# MSEK 1,424

Starting controlled forest fires is an important, tried and tested conservation initiative that Sveaskog regularly uses, a management measure that is most appropriate in forests that have naturally burned in the past. When pines burn, they get what are known as fire scars on the trunk. When the fire scars become resin-soaked, the pines become resistant and can live for a long time. When they then die and either fall to the ground or remain standing, the decay continues for a very long time, which benefits species linked to old dead wood.





# Financing and refinancing forest property acquisitions

Sveaskog is Sweden's largest forest owner with a land holding of almost 4 million hectares (2024). All forest land is certified according to the forest certifications FSC® and PEFC. In this way, the company contributes to promoting sustainable forestry.

FSC® is a voluntary international system where FSC® certified forestry provides economic returns while ensuring consideration for environmental values and social conditions. Biodiversity, ecologically valuable environments and cultural monuments are protected. Employees are offered contractual and safe working conditions. The Sami villages and the general public are given insight and the opportunity to influence. Particular consideration is given in forestry activities that affect Sami cultural sites, reindeer grazing areas or important recreational areas. PEFC is similar to the certification rules developed by the FSC®, but is more adapted to family forestry.

Sveaskog continuously acquires new forest land, which is then always FSC® and PEFC certified. In this way, sustainable use of the forest and forest land is ensured. The acquired forest land is also covered by Sveaskog's environmental goals, which means that Sveaskog's voluntary set-asides have been increased to 20 per cent of the acquired productive forest land.

With green bonds, Sveaskog can both finance new forest land acquisitions and refinance loans for previous acquisitions.

During the reporting period, Sveaskog acquired a total of 1,224 hectares of forest land at a price of MSEK 126, of which MSEK 48 was financed with green bonds.

Previous property acquisitions from 2019 were refinanced with the equivalent of MSEK 128.

The certified forest land constitutes to the absolute largest share of Sveaskog's balance sheet.

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SVEASKOG'S TOTAL INVESTMENT DURING THE REPORTING PERIOD FOR THE ACQUISITION OF FOREST LAND

**MSEK 126**

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OF WHICH FINANCED BY GREEN BONDS

**MSEK 48**

# Research and development

Sveaskog conducts extensive research and development work in various parts of its operations. The projects are often conducted in collaboration with other parties from universities, forestry, the transport industry and others. The projects usually run over several years and below is a selection of Sveaskog's largest projects during the reporting period that have a clear link to either expected climate benefits or developed conservation values.

The main environmental benefits of investing in the development projects are reduced climate impact through, for example, reduced use of fossil fuels and energy, as well as measures to create more effective conservation measures.

SVEASKOG'S TOTAL INVESTMENTS DURING THE REPORTING PERIOD FOR RESEARCH AND DEVELOPMENT

## MSEK 23

OF WHICH FINANCED VIA GREEN BONDS

## MSEK 11



## Examples of research projects

### Somatic embryogenesis

Somatic embryogenesis (SE) is a method of vegetatively propagating the best plant material that comes from forest tree breeding. This means that you can be selective on the breeding front and thus provide the market with the absolute best forest cultivation material much earlier than through traditional mass propagation. It also means that an unlimited number of plants can be produced from a single seed.

Sveaskog has been involved in the project for a number of years to automate the process of propagating SE plants. The cultivation of these micro-plants is significantly more environmentally efficient than traditional plant breeding because up to six times as many plants can fit in a greenhouse, which saves energy. A major advantage of the SE technology is that it generates more vigorous plants with better adaptation to current and future climates. The plants also gain better resistance to diseases, such as spruce root rot or pine blister rust.





### Effect 20

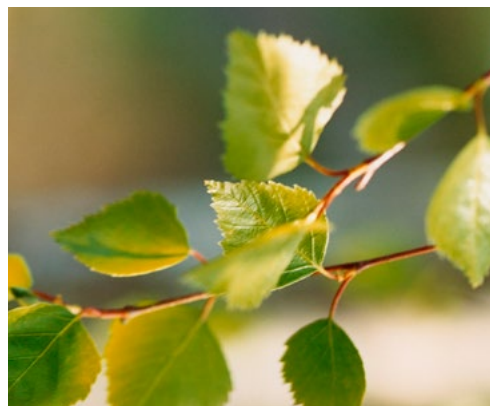
Effekt 20 is an extensive investment programme in six of Sveaskog's 37 ecoparks. In collaboration with researchers from Lund University and the Swedish University of Agricultural Sciences (SLU), the programme evaluates how nature conservation initiatives have affected the presence of saproxylic beetles and forest bird species in the ecoparks.

By comparing the ecoparks with reference areas in the productive forest over time, the programme aims to also evaluate the effect of nature conservation initiatives in the landscape.

### Breeding of Swedish deciduous trees

During the year, Sveaskog started a collaboration with the Forestry Research Institute of Sweden to ensure future access to seed and plant material from Swedish deciduous trees. The aim is to respond to climate change with a more diverse forest. Tree breeding has historically focused on spruce and pine, but to meet climate and market changes, more tree species are needed to increase flexibility and to get a better adapted forest.

The aim of the project is to ensure the opportunity of harvesting seed for different growing zones. The changing climate poses major issues for forests. Developing how trees adapt to present and future climates can make them more resistant to various attacks and ensure their survival. Forest owners should be able to buy robust plants of all Swedish tree species. This is an important investment for the future.



### Saving elm and ash trees

Our special Swedish hardwood tree species ash and elm are on the brink of extinction after suffering from their respective aggressive imported fungal diseases. Together with the ash and elm, a couple of hundred species that depend on them are at risk of disappearing. In collaboration with the Forestry Research Institute of Sweden, SLU and Linnaeus University, we have been conducting a rescue project for several years by seeking out resilient individuals and using them to build breeding for resistance. A patient battle against the clock.

# Climate benefits of the standing forest

The trees in the Swedish forests absorb large amounts of carbon dioxide through photosynthesis, carbon dioxide which is then stored in the trees in the form of bound carbon. Forests also emit carbon dioxide when biomass decomposes, either in the form of dead trees or logging residues left in the forest. These uptakes and emissions can be summarised as the forest's biogenic carbon flow. Forest management also produces emissions through fossil flows, mainly from the burning of fossil fuels in forestry machinery and in the transportation of timber and pulpwood.

Sveaskog's forest 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 forests. In addition, wood-based products, regardless of their lifespan, lead to reduced use of fossil based energy and materials, which also contributes to reducing society's climate impact.

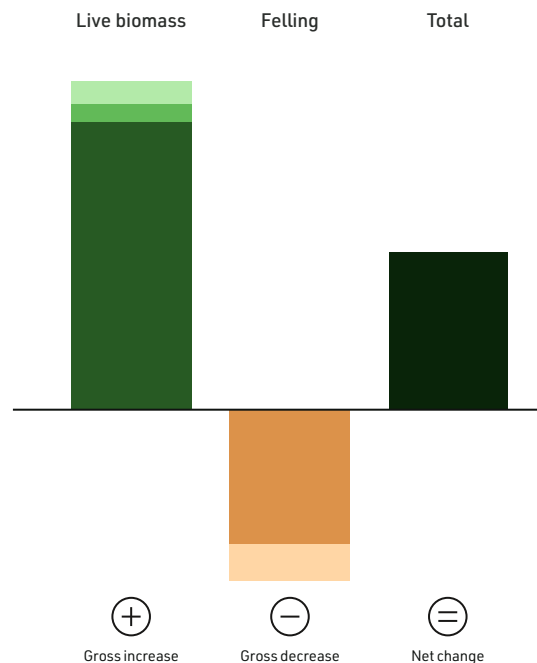
The calculation of Sveaskog's carbon sequestration is based on the annual national reporting that the Swedish Environmental Protection Agency compiles for the UNFCCC in the Swedish National Inventory Report. The national method, which follows the IPCC guidelines for national reporting,

is well established and, due to the size and spread of Sveaskog's holdings, can be considered representative.

The climate benefit that arises when wood-based products are used instead of products that have greater emissions during production, such as cement, is not included in Sveaskog's operations and is therefore not included in the calculations. However, it is important to note that Sveaskog's production of timber provides a major addition on the way to a fossil-free society through the company's customers' operations and the use of wood-based products and production of biofuels. The size of the benefit depends on how effectively the wood raw material is used and whether it replaced a fossil material or entailed increased use.

Every year, Sveaskog's forests grow more than the company harvests. This means that the stock of sequestered carbon in standing forests, dead wood and soils is constantly increasing, even compared to the losses that occur naturally. Thanks to the effect of forestry on increased forest growth and thus also increased absorption of carbon dioxide, the activity contributes to the environmental objective of climate change mitigation according to the EU taxonomy.

ESTIMATED CHANGE IN CARBON STOCKS IN SVEASKOG'S FOREST HOLDINGS IN 2024



NET CHANGE IN CARBON STOCKS

**9.65**  
million tonnes of CO<sub>2</sub>e

Live biomass		Million tonnes of CO <sub>2</sub> e
	Live biomass	17.71
	Dead wood	1.06
	Soil carbon	1.38
Felling		
	Felling	-8.22
	Natural decreases	-2.28
	Total	9.65



# Climate benefits of the green bonds

The carbon balance in Sveaskog's holdings is calculated every year. As forests absorb carbon dioxide and sequester carbon, the carbon stored in the growing forest increases. Meanwhile, there is a natural release of carbon dioxide as old trees die or forests are damaged.

Harvesting removes some of the sequestered carbon from the forest. All contributing factors are taken into account in the calculation.

## Calculation of the climate benefit of the bonds for 2024

The Green Bonds financed 84 per cent of the investments and costs of forestry operations (of which capex 100 per cent and opex 81 per cent) in 2024. These forestry operations were carried out on approximately 155,000 ha of forest land. 84 per cent of this corresponds to approximately 129,000 ha of forest land.

Forestry operations:  $155,000 \text{ ha} \times 84\% = 129,000 \text{ ha}$

The green bonds financed 38 per cent of the forest property acquisitions, corresponding to 470 ha.

Forest property acquisitions:  $1,220 \text{ ha} \times 38\% = 470 \text{ ha}$

**Total: 129,000 ha + 470 ha = 129,470 ha**

129,470 hectares corresponds to approximately 4.3 per cent of Sveaskog's forest land. Hence, the corresponding share, 4.3 per cent, of the climate benefit is allocated to the green bonds.

In total, the net change in carbon stocks on Sveaskog's holdings amounted to 9.65 million tonnes of carbon dioxide in 2024. The climate benefit (net sequestration) of the green bonds issued in 2024 is thus estimated at 198 tonnes CO<sub>2</sub>/MSEK.

Research and development is carried out to improve climate performance or develop nature conservation work and promote natural values in forestry. This can contribute directly or indirectly to climate benefits but is not included in the calculation as the effect is not quantifiable.

For further details on the calculation of the net change in forest carbon balance, see [Sustainability report](#) page 73.



# Summary of Sveaskog's green projects<sup>1)</sup>

Project name	Project category according to framework	Total investment, MSEK	Total accrued costs allocated to green bonds in 2024, MSEK	Proportion of projects financed by green bonds issued in 2024, %
Forest management (regeneration)	Forestry (CAPEX)	252	252	100
Forest management	Forestry (OPEX)	666	539	81
Fertilisation	↓	30	24	81
Harvesting		720	582	81
Nature conservation		33	27	81

## Region

Norrbotten	Acquisition of properties (CAPEX)	61	23	38
Västerbotten	↓	3	1	38
Southern Norrland		10	4	38
Svealand		3	1	38
Göteborg		49	19	38

## Research and development

Project Research and development	Research and development (CAPEX)	17	9	52
Project Forestry Unit	↓	5	2	39

<sup>1)</sup> The financing or refinancing of CAPEX qualifies without any specific retrospective limit, while OPEX has the option to qualify with a maximum retrospective period of no more than three years before the issue year for the bond.

### Green bonds issued in 2024

**MSEK 2,100**

Investment in forestry (CAPEX)	MSEK 252
Investment in forestry (OPEX)	MSEK 1,172
Investment in property acquisitions	MSEK 48
Investment in research and development	MSEK 11
Refinancing of investment (2019)	MSEK 128
Remaining investments from 2023	MSEK 489



# Report adopted at meeting of Sveaskog's Green Bond Committee

Stockholm 13 March 2025

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Claes Rasmuson  
Chair, CFO

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Eva Åkesson  
Head of Finance

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Olof Johansson  
Head of Forest Policy

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Anna Ouchterlony  
Sustainability Controller

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Cecilia Hellström  
Sustainability Strategist

# Auditor's statement from the review of selected parts of the Sveaskog AB (publ) Green Bonds Annual Report 2024

TO SVEASKOG AB (PUBL), CORPORATE ID NO 556558-0031

## Introduction

We have been commissioned by Sveaskog's Green Bond Committee to conduct a review of selected parts of Sveaskog's Green Bonds Annual Report for 2024 ("the Report"). The scope of our review is limited to information regarding the total amount of green bonds issued by Sveaskog in 2024 and that the costs and investments incurred by Sveaskog AB (publ) ("Sveaskog") for the reporting period January 2024 to December 2024 and previous years' costs and investments reported on page 12 of the report are in accordance with Sveaskog's green bond framework ("Sveaskog - Green Bond Framework").

## Sveaskog's Green Bond Committee responsible for Green Bonds Annual Report 2024

Sveaskog's Green Bond Committee is responsible for preparing the Report in accordance with the applicable criteria, which consist of Sveaskog's framework for green bonds ("Sveaskog - Green Bond Framework"). This responsibility also includes the internal control deemed necessary to the preparation of a Report that is free of material misstatements, whether due to fraud or error.

## Auditor's responsibility

Our responsibility is to express a conclusion on this Report based on our review. Our mission is limited to the historical information reported and thus does not include future-oriented data.

We conducted our review in accordance with ISAE 3000 (revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. A review involves posing questions, primarily to persons responsible for the preparation of the sustainability report, and applying analytical and other review procedures. A review has a different focus and significantly narrower scope than a full audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards.

The auditing firm applies ISQM 1 (International Standard on Quality Management 1), which requires the firm to design, implement and manage a quality management system including guidelines or procedures regarding compliance with professional ethical requirements, standards for professional practice and applicable statutory and other requirements. We are independent of Sveaskog according to generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibility according to these requirements.

The review procedures performed in a review do not enable us to obtain a degree of certainty that would make us aware of all important circumstances that would have been identified if an audit had been conducted. The conclusion based on a review therefore does not have the same certainty as a conclusion based on an audit.

Our review is based on the criteria chosen by Sveaskog's Green Bond Committee, which are defined above. We believe that these criteria are suitable for the preparation of the Report.

We believe that the evidence we have obtained during our review is sufficient and appropriate to provide us with the basis for our opinion below.

## Opinion

Based on our review, nothing has come to our attention that causes us to believe that the investments and costs reported on page 12 of the annual report for 2024 are not, in all material respects, in accordance with Sveaskog's green bond framework.

Stockholm, 14 March 2025  
KPMG AB

Joakim Thilstedt  
Authorised Public  
Accountant

Torbjörn Westman  
Specialist Member of FAR

Images: Jesper Mott, Malin Grönborg  
Kola Productions, Leif Öster, Kim Lill  
and Carl Johan Eriksson.

Production: Sveaskog in collaboration  
with Hallvarsson & Halvarsson.  
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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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## Contact

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