



Sveaskog  
in brief

2020

An aerial photograph of a dense forest, likely a coniferous forest, with a road or path visible in the upper right corner. The image is in grayscale and serves as the background for the text.

# About Sveaskog

Sveaskog, a state-owned company, is the largest forest owner in Sweden. The company manages approximately 14 per cent of the productive forest land, operates in approximately 170 municipalities and has over 800 employees around the country.

Sveaskog's core business is to cultivate the forest. We sell wood, pulpwood, chips, biofuel, seedlings and forest services.



# Financial performance

**6,597**      **-9%**

Net sales decreased by eight per cent to MSEK 6,597.

Prices of wood raw materials were down by nine per cent on average, while total delivery volumes fell by one per cent compared with the previous year.

# 1,120

Operating profit decreased by 24 per cent to SEK 1,120 million. This lower profit is primarily due to lower prices and increased costs for forest and nature conservation and roads.

# 82

At the end of the year, Sveaskog changed the accounting method for valuing the company's forest assets. This means that the value of Sveaskog's forest assets now totals approximately SEK 82 billion.

# Condensed income statement

## **MSEK**

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Net sales

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**Operating profit from  
continuing operations**

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Capital gains on property disposals

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Share of profit/loss of associates

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**Operating profit before change  
in value of forest assets**

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Change in value of forest assets

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**Operating profit**

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Net financial income/expense

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**Profit before tax**

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Tax

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**Profit for the year**

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	<b>2020</b>	<b>2019</b>
	6,597	7,209
	<b>1,120</b>	<b>1,483</b>
	163	185
	57	26
	<b>1,340</b>	<b>1,694</b>
	12,481	399
	<b>13,821</b>	<b>2,093</b>
	-153	-130
	<b>13,668</b>	<b>1,963</b>
	-2,801	-405
	<b>10,867</b>	<b>1,558</b>

# CEO's comments

” **We need to have a vigorous and engaged debate** about forests and forestry. It is through dialogue and discussion that we can take on the challenges that exist and do our best in terms of both timber extraction and biodiversity.

**Per Matses,**  
**President and CEO**





# Forest: facts and figures

## 10.6

Sveaskog supplied 10.6 million cubic meters of sawlogs, pulpwood and biofuel to customers in 2020.

## 3.9

Forest holdings amount to 3.9 million hectares, of which 3 million is productive forest land.

## 50,000

Each year, Sveaskog carries out thinning and regeneration felling on approximately 50,000 hectares of forest land.

## x 3

Three new trees are planted for each tree that is felled.

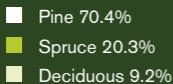
## 97

A pine or spruce that is felled is on average 97 years old.

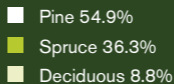
All of the forest is FSC® and PEFC™ certified, providing a guarantee of sustainable forestry.

## Breakdown of tree species on Sveaskog's land

Market area North



Market area South



# Trends and business environment

Just like other companies, Sveaskog is affected by what happens in the world at large. Here are a few of the events and trends that affected us during 2020:

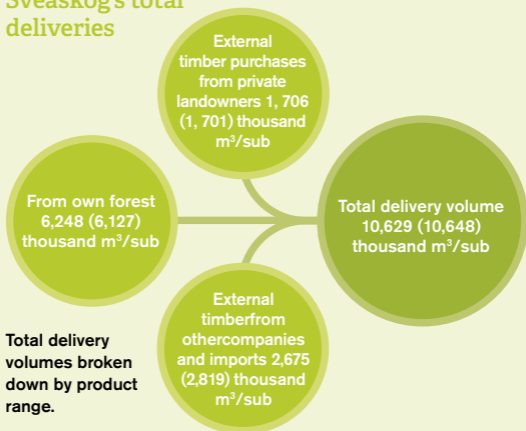
- > **The coronavirus pandemic**
- > **Intense debate about forestry**
- > **Construction of wooden buildings gains ground**
- > **Spruce bark beetle infestation in the forest**
- > **Uncertain global economy**
- > **Increase in outdoor activity**
- > **Circular transition**



# Sveaskog's business model

Sveaskog's core business is cultivating the forest and selling timber and pulpwood as well as biofuel. Sveaskog also deals in land and develops the forest as a place for fishing, hunting and other outdoor experiences.

## Sveaskog's total deliveries



**Total delivery volumes broken down by product range.**

## Customers

### Biofuel customers

Sveaskog supplies around 50 biofuel customers in Sweden, primarily heating plants and paper and pulp mills.

### Other forest owners

Approximately 3,500 forest owners buy seedlings and forest management services from Sveaskog.



### Forest

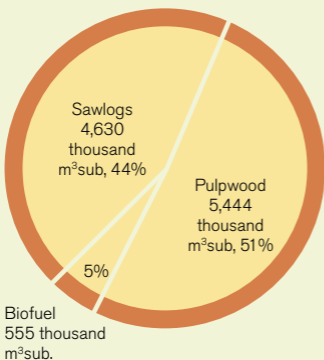
Sveaskog's forest holdings of 3.9 million hectares, of which approximately 3 million hectares are productive forest land, are located in about 170 of the country's 290 municipalities.

### Sawmills

Sveaskog supplies sawlogs to some 70 sawmills in Sweden. The sawlogs are refined and used primarily for buildings and furniture.

### Paper and pulp mills

Sveaskog supplies pulpwood to some 20 paper and pulp mills that manufacture packaging paper and other paper products.

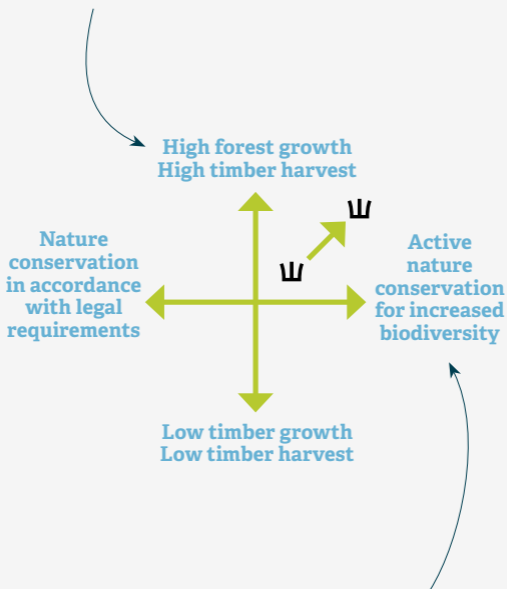


# Long-term focus

Sveaskog has developed a long-term focus that involves a positional shift featuring equal ambitions for:



Active forest management that results in sustainable **high forest growth** with future **high timber yields**, enabling increased timber deliveries to customers.



Active nature conservation work to **increase the ecological values** of our land and ensure rich biodiversity.

# Agenda 2030

Sveaskog's activities and value creation contribute to the 17 sustainable development goals of the UN 2030 Agenda for Sustainable Development. Sveaskog works actively to achieve the goals and has mapped out the goals where we can contribute in the most relevant way.

**13** BEKÄMPA KLIMAT-  
FÖRÄNDRINGARNA



**15** EKOSYSTEM OCH  
BIOLOGISK  
MÅNGFALD



**5** JÄMSTÄLLDHET



**7** HÅLLBAR ENERGI  
FÖR ALLA



**8** ANSTÄNDIGA  
ARBETSVILLKOR  
OCH EKONOMISK  
TILLVÄXT



# The forest's climate benefits

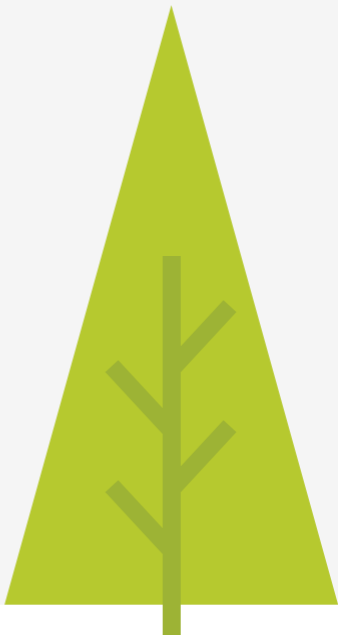
The forest contributes to climate work in two ways, firstly by capturing carbon dioxide already in the atmosphere and storing it in biomass. This allows the forest to compensate for emissions in other sectors of society. The forest's growth can also be transformed into renewable forest products that can replace fossil products and concrete. This reduces the supply of carbon dioxide to the atmospheric cycle.

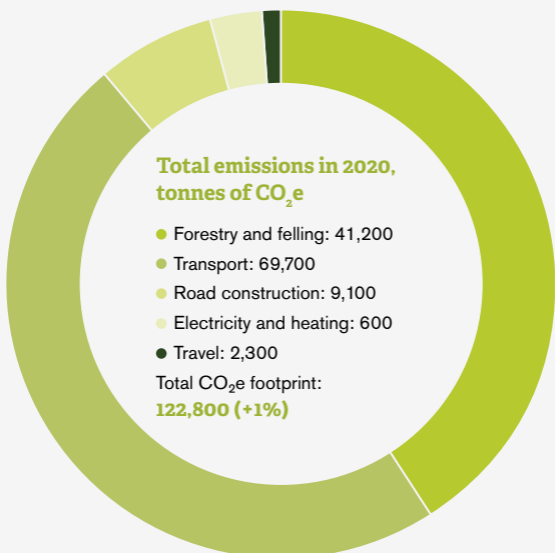


# New climate goal

Sveaskog's climate goal from 2010 expired in 2020. A new climate goal will be prepared in 2021, including a climate adaptation policy and milestones for 2026.

In total, just over 8 million tonnes of carbon dioxide equivalents were stored in living tree biomass and land during the year.





During the year, Sveaskog's operations generated carbon dioxide emissions of 122,800 tonnes, which means that the company has reduced emissions by 22% compared to 2010.

# Stakeholder dialogue

Sveaskog's activities affect many people, and we communicate regularly with various stakeholder groups, for example through consultation with the local community when planning our operational activities. We also have a dialogue with environmental organisations about our conservation work and knowledge-enhancing discussions with the field of research and academia. Stakeholders' views help us to develop our business and identify our most important sustainability issues.







# All the values of the forest

Forest ownership and utilisation of the forest create not only economic benefits, but also other values. Our standing timber binds carbon dioxide, and products from wood raw material can be used to replace materials from fossil sources. A forest that is managed properly also has an important role in the water cycle. Forests are also available for recreation and outdoor activities. Sveaskog also contributes to a sustainable value chain through responsible purchasing and collaborating with serious suppliers.



# Our operations

Sveaskog utilises the forest with an ambition to balance economic, ecological and social interests. Our forests are certified in accordance with the Swedish FSC<sup>®</sup> and PEFC<sup>™</sup> standard, and we also require certification of all imported timber. Our customers are guaranteed a responsible and sustainable product, all the way from forest to consumer.



# Sawlogs

Sveaskog offers a wide range of sawlogs and that meet the needs of customers for a variety of volumes, tree species, qualities and dimensions. Timber from our own forests is supplemented by volumes purchased externally. Sveaskog supplies sawlogs to many of Sweden's biggest sawmills. They, in turn, supply mainly the construction and furniture industry.





# Pulpwood

Pulpwood consists of trees and parts of trees that cannot be used by sawmills. The largest volumes of Sveaskog's pulpwood come from thinning and regeneration felling. We deliver to about twenty pulpwood customers. Items manufactured from pulpwood include paper and cardboard as well as hygiene products.





# Seedlings

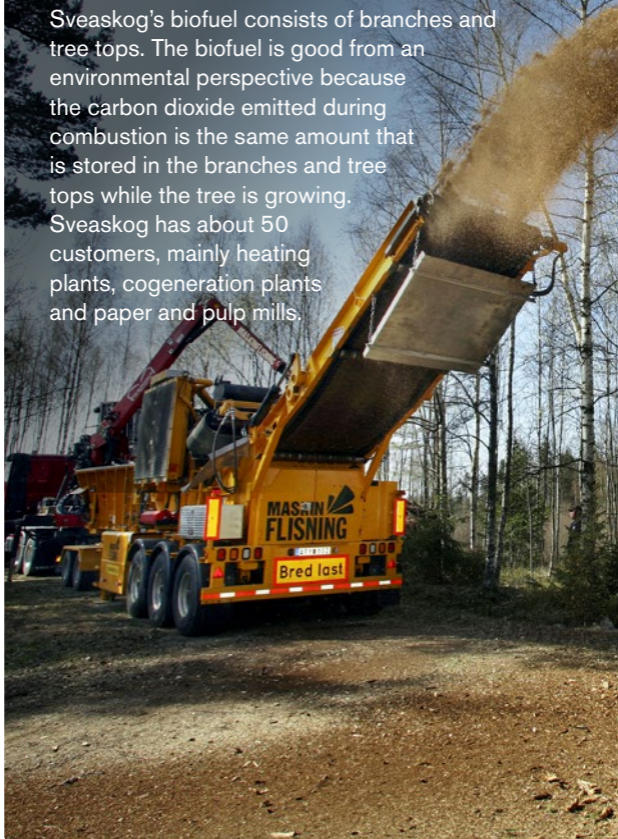
The Svenska Skogsplantor business area has a growing capacity of approximately 140 million forest plants per year, which corresponds to around one third of what is planted in total in Sweden each year. In addition to forest seeds and processed plants, rejuvenation services are also offered: planting, soil preparation, protective treatments and growth controls.





# Biofuel

Sveaskog's biofuel consists of branches and tree tops. The biofuel is good from an environmental perspective because the carbon dioxide emitted during combustion is the same amount that is stored in the branches and tree tops while the tree is growing. Sveaskog has about 50 customers, mainly heating plants, cogeneration plants and paper and pulp mills.





# Hunting and fishing

Just over 25,000 hunters go hunting on Sveaskog's hunting grounds every year. As a holder of hunting rights, we grant part of this right to hunting teams, clubs, nature tourism entrepreneurs, associations and private individuals. Hunting is an important tool in maintaining the balance in game populations. In recent years, Sveaskog has conducted several different projects to increase interest in hunting among young people.

Sveaskog also promotes the sustainable development of fisheries and protecting habitats so that biodiversity is preserved.



# Our customers

As an independent actor in the timber market with 130 customers in all, mainly in Sweden, we aim to strengthen our position through a long-term increase in sales volumes. With good customer relations, a professional, responsible organisation and a strong brand, Sveaskog will be the leading player and be perceived as a long-term, reliable and developing business partner.







” We have pushed the boundaries of how to do business with timber in a number of areas. And we have done this together with our customers, which demonstrates that we have a high degree of trust and understanding of each other’s circumstances and needs.

**Patrick Bäckström, Head of Market in Sveaskog’s Market Area North.**

# Nature conservation

Every year, Sveaskog undertakes a number of initiatives to protect the conservation values of the forest and biodiversity.

1

Sveaskog **sets aside 20 per cent of all productive forest land** for nature conservation.

85 per cent of the forests set aside are 100 years old or older.

2

Sveaskog owns **37 eco parks**. At least half of their area is set aside for nature conservation, maintenance and other initiatives to benefit nature.



3

For all felling and cleaning activities, we take nature into consideration and ensure that **important environments** for plants and animals are left untouched.

4

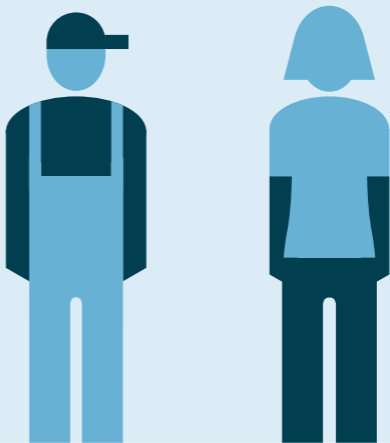
We carry out **different types of nature conservation** such as, for example, recreating wetlands or leaving birch stumps where the woodpeckers can make nests.

5

To make conservation work more effective, **we follow up on and evaluate** the nature conservation measures that we take.

# A developing and inclusive employer

Sveaskog's ambition is to build a strong, sustainable and inclusive corporate culture that attracts the right skills and provides employees with the conditions to succeed.







“ Sveaskog is a workplace where you really do get a chance to develop.

**Johan Ekenstedt, technology specialist,  
remote analysis and forest data**

” I’m the only girl in my felling team, and that works really well. Everyone’s treated with respect here.

**Linnea Westerberg,**  
machine operator



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[youtube.com](https://youtube.com), key word "sveaskog"



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