

Södra to become the largest producer of kraft lignin in the world

Södra in Sweden is now establishing a new business to become a world leader in the production of kraft lignin. Södra's production facility will be the first commercial facility in Sweden and the largest of its kind in the world. This is an investment of over two billion SEK and expected to be in operation in 2027.

Kraft lignin can replace fossil materials in, among other things, glue, batteries, rubber, composites and form the basis for new biofuels and bio stimulators. The market and demand for replacements for fossil chemicals are increasing and Södra has for some time been exploring the opportunities on the market, had dialogue with potential customers and signed offtake agreements for a significant part of the production volumes. There is good possibility for kraft lignin production both to contribute to the green transition and the profitability of the forest estate.

Today, lignin is used for generating energy, but the refining process Södra is investing in will make more use of the raw material as a product. This is in line with Södra's strategy to make more of each tree and create more value for the forest estate. Södra's new facility will have the largest capacity for kraft lignin production in the world. Production is planned to start in 2027 and is enabled through the Swedish Energy Agency and The Industrial Leap.