

# GREEN BOND REPORT

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STENA METALL GROUP, NOVEMBER 2022



# STENA METALL GROUP AND GREEN FINANCING

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The Stena Metall Group is family owned and operates within seven business areas, on more than 200 locations in nine countries. The Group's business areas are focused around providing the industrial sector with new and recycled materials and products, as well as providing solutions related to efficient resource management and circularity. The products and services offered by the Group's companies create sustainable value for customers and collaboration partners, as well as long-term profitability for the Group. The effective and innovative resource management strengthens the customers' own sustainability performance and benefits society at large. Every year, the Group's recycling companies collect and recycle around six million tons of waste, contributing to preserving valuable resources and providing society with important recycled raw materials.

With several companies in the Group whose operations contribute to the circular economy, Stena Metall Group has a clear contribution to sustainable development and has accessed capital through green instruments on several occasions. This includes a green term loan and a green revolving credit facility, both aimed at financing the Group's recycling operations. The Group has also issued two green bonds, which offer opportunities to invest in projects with a clear sustainability profile. Both bonds were rated Dark Green by the second opinion provider Cicero. The funds are targeted to financing and re-financing of projects within the Stena Metall Group that contribute to strengthening the ambitious sustainability agenda and the circular transition.

This green bond report constitutes the yearly report to investors on use of proceeds as well as green impact and performance for both of the two green bonds issued by the Stena Metall Group. The most recent green bond was issued in April 2022. It had a nominal amount of 1 billion SEK and is aimed at circular investments throughout selected companies in the Group. This bond is reported on pages 4-8. The first green bond of 800 MSEK was issued in 2018 and focused on investments related to Stena Recycling's flagship facility in Halmstad, Stena Nordic Recycling Center. It was widely considered to be the world's first circular bond. This bond is reported on pages 9-13.



## SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals identify 17 key areas where businesses can contribute in order to achieve a sustainable society in the long run. The goals cover a broad range of matters, including environment, social matters and sustainable economic development. Eight of the targets have been identified as more closely related to the eligible assets and use of proceeds for Stena Metall Group's green financing. Below you can read more about the identified targets and Stena Metall Group's contribution.



### **Ensure availability and sustainable management of water and sanitation for all:**

Stena Metall measures and strives to reduce water consumption. At some operational sites, for example the largest one in Halmstad (Stena Nordic Recycling Center), there is a closed-water circuit where the water required for the recycling process is cleaned and reused. Stena Recycling also treats wastewater which then reenters the system.



### **Make cities and human settlements inclusive, safe, resilient and sustainable:**

An efficient waste management and recycling system is integral to creating hospitable communities and living-spaces. By offering waste management solutions, the largest subsidiary Stena Recycling contributes to taking proper care of the waste produced by society and turning it into new resources.



### **Ensure access to affordable, reliable, sustainable and modern energy for all:**

Stena Metall is working to reduce emissions and energy use across its operations, and to progressively switch to fossil-free fuels. The Group also provide circular solutions related to energy. For instance, one part of the recycling process for cars includes production of pellets, which serve as a fuel-supplement in certain industries. Another example is the subsidiary BatteryLoop, which uses electric vehicle batteries to build energy storage solutions.



### **Ensure sustainable consumption and production patterns:**

Circularity and increased resource efficiency is a key puzzle piece to achieve more sustainable consumption and production patterns. The transition to a circular economy is a common denominator for a significant part of Stena Metall's operations. All subsidiaries eligible for investments in Stena Metall's Green Bond have circularity as a core part of their business offering.



### **Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:**

Stena Metall works for sustainable growth and invests in innovative and creative solutions to make this a reality. Transitioning to a circular economy is a central part of the Group's operations. Creating a safe workspace is also a highly prioritized focus area, based on the perspective that all work-place accidents can be avoided.



### **Take urgent action to combat climate change and its impacts:**

Through internal and external engagement, Stena Metall is taking concrete action to address the climate transition. Group-wide emissions in Scope 1 and 2 are reported in the annual sustainability report and mapping of Scope 3 emissions is ongoing. The Stena Recycling companies on all markets committed to the Science Based Targets initiative in 2022.



### **Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation:**

Stena Metall's operations are characterized by innovative development in all sectors of operation. An important part of a successful transition to a circular economy is to recognize and value innovation that strengthens the circular use of resources, increases recycling rates and enables the use of circular materials. To this end Stena Metall continuously looks for opportunities to invest in processes and technology that contributes to increased circularity and sustainability.



### **Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development:**

To achieve the climate transition, collaboration is necessary both within and across industry sectors, and both nationally and internationally. Stena Metall participates in several initiatives to promote sustainable development, some at a local, company level, and some on a Group level. One major collaboration initiated by Stena Recycling is the Circular Initiative, a collaboration arena to promote circular innovation through partnerships.

# GREEN BOND 2022-2027

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Stena Metall Group's second Green Bond was issued on April 27th 2022 and, like the first one, it was given a Dark Green grade by the rating-institute Cicero. The bond was issued for the amount of SEK 1 billion, which will be used to finance and refinance projects within the Group that aim to facilitate the transition to a more circular economy.

The framework developed for Stena Metall Group's second green bond has a wider scope than the first one, which was aimed exclusively at financing a single facility, the Stena Nordic Recycling Center in Halmstad. The second bond will be used more broadly for projects with a clear environmental benefit, specifically projects which contribute to increased circularity, moving more material upwards the waste hierarchy or otherwise contribute to reducing the organization's climate footprint. Eligible investment projects in accordance with the green framework are limited to projects within the subsidiaries in the Group that has circularity integrated in the core business. These subsidiaries are the Stena Recycling companies, Stena Aluminium, HaloSep and Battery-Loop. The companies are presented more in detail on page 5. The majority of the funding is expected to be allocated to operations within Stena Recycling, which is the Group's largest subsidiary both in terms of turnover and number of employees. The allocation will mainly be dedicated to invest-

ments in existing facilities or to acquisitions, in both cases with the aim to strengthen the capacity for circular processes and improved recycling rates. Projects can be added to the report once the issuer has approved and determined a project as eligible, or once green bond proceeds have been allocated to eligible disbursements. Projects can be removed from a report when no allocations to eligible disbursements have taken place in the reporting period, or after the underlying loans have been repaid.

A strategic focus area in recent years has been investments in increased capacity and higher recycling rates for plastic recycling. This green bond therefore highlights some of the plastic investments as selected examples of eligible projects, read more on pages 7-8. Another significant category is investments in vehicles and machinery running on electricity or biogas, which constitute a part of the Group's aim to reduce climate impact. For a full overview of the current allocation for the 2022 green bond, see page 6.

## DARK GREEN RATING BY CICERO

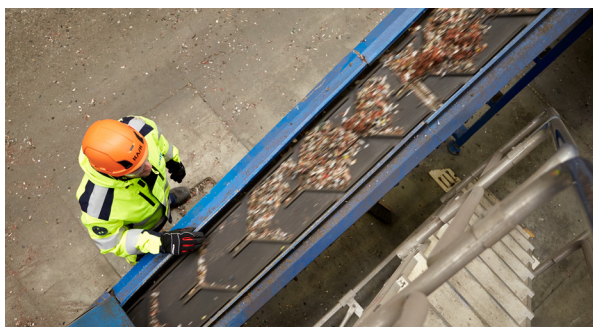
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A second opinion on the Green Bond Framework was provided by Cicero when the bond was issued. The full report is publicly available at the Group's website. Below is an extract of the summary.

*"Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Stena Metall's green bond framework, we rate the framework CICERO Dark Green. /.../ Stena Metall plays an important role in improving the carbon footprint of industries through its business model of supplying these with recycled raw materials /.../ The company has a clear sustainability profile and forward-looking ambitions."*

## ELIGIBLE ASSETS PORTFOLIO

Eligible asset categories for Stena Metall Group's second Green Bond have been set to ownership, capital expenditures, R&D and acquisitions into facilities, tools, processes, machines and supportive infrastructure related to recycling and circular services. The eligible asset categories are limited to the subsidiaries Stena Recycling, Stena Aluminum, BatteryLoop and HaloSep, which are presented further below.



### STENA RECYCLING

Stena Recycling is one of Europe's leading recycling companies, each year handling six million tons of waste and providing circular solutions and waste management services for over 100.000 customers. Materials and products recycled include ferrous and non-ferrous metals, electronics, plastic, paper and mixed waste. The recycled raw materials are sold to steel mills, paper mills and other customers for use in the manufacture of new products.



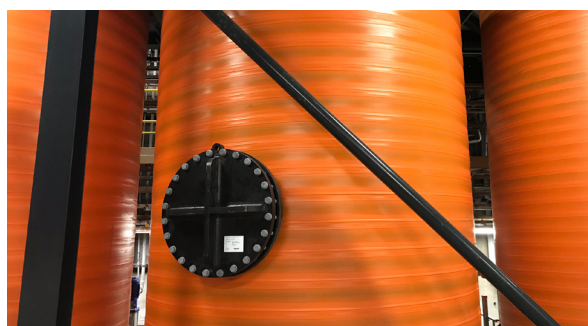
### BATTERYLOOP

BatteryLoop develops mobile solutions that enable large-scale storage and use of locally generated electricity. The solution makes it possible to store electricity from for example solar cells, to then use as needed. The energy storage is based on used lithium-ion batteries from the automotive industry's hybrid and electric vehicles. Reusing them in energy storage facilities almost doubles the battery lifetime. There are many areas of application. Initially, BatteryLoop is focusing on solutions for properties, ports, and logistics centers.



### STENA ALUMINUM

Stena Aluminium is one of the leading producers of premium quality aluminium alloys in northern Europe. With operations based in Älmhult, Sweden, Stena Aluminium's customers are primarily foundries in northern Europe. Most alloys produced are used for components in the automotive and engineering industries. Stena Aluminium's alloys are based on 100 percent recycled aluminium, which has a significantly lower climate footprint than virgin aluminium.



### HALOSEP

HaloSep introduces a groundbreaking technology to purify and refine hazardous waste from fly ash, which arises from waste incineration at district heating facilities. Through the process, this previously hazardous waste is converted into new, valuable resources, while at the same time reducing the amount of waste that goes to landfill. In cooperation with Danish Vestforbrænding, HaloSep has established the world's first facility that separates metals and salts from fly ash. HaloSep is also in the process of establishing a new development facility in Gothenburg, Sweden.

# FINANCIAL OVERVIEW

The below tables show an overview of the projects financed with the proceeds from the 2022 Green Bond. For this first report, 590,2 MSEK of the 1 billion SEK has been allocated. The remaining 409,8 MSEK will be allocated during the following reporting year. For this year, three separate investments related to recycling of plastics have been highlighted for more in-depth reporting. More information about these three projects can be found on pages 7-8.

Eligible asset projects	Allocated amount to investment (MSEK) <sup>1</sup>	Disbursed amount per 2022-08-31 (MSEK) <sup>2</sup>	Category	Geographical market
Investment in recycling of WEEE plastic (from electronics) in Angiari, Italy (see page 7)	153,3	127,3	Stena Recycling	Italy
Investments in electric and biogas vehicles and machinery in the recycling operations <sup>3</sup>	128,8	87,9	Stena Recycling	Sweden and Norway
Acquisition of Swerec - company specialized within plastic recycling (see page 8)	97,2	97,2	Stena Recycling	Sweden
Investment in LDPE plastic recycling (soft plastics) in Wschowa, Poland (see page 8)	50,5	50,5	Stena Recycling	Poland
Investment in recycling of precious metals and plastic from electronics in Wschowa, Poland.	49,0	49,0	Stena Recycling	Poland
Construction of HaloSep development plant to optimize and develop processes for treatment and recycling of fly ash.	34,0	16,0	HaloSep	Sweden
Acquisition of Moreco - company specialized in reuse of IT infrastructure from data centers	47,8	33,8	Stena Recycling	Sweden
Investment in Shredder Light Fraction recycling and further non-ferrous processing in Grenaa, Denmark	29,6	11,2	Stena Recycling	Denmark
<b>Total</b>	<b>590,2</b>	<b>472,9</b>		

(1) Total budgeted cost of investment.

(2) Amount disbursed for the investment by the end of the accounting year 2021/2022.

(3) 67% of this amount refers to financing and 33% refers to refinancing.

Category	Allocated amount (MSEK)	Financing %	Re-financing %
Stena Recycling	556,2	78%	22%
HaloSep	34	100%	0%
Stena Aluminium	0		
BatteryLoop	0		
<b>Total</b>	<b>590,2</b>	<b>79%</b>	<b>21%</b>
Not yet allocated	409,8		

# INVESTMENT PROJECTS – PLASTIC RECYCLING IN FOCUS

## TURNING PLASTIC WASTE INTO NEW RAW MATERIALS IN ITALY

**Since no Italian companies have previously been able to recover plastic from waste from electrical and electronic equipment (WEEE) this has been exported to other countries, resulting in both costs and environmental impacts. Stena Recycling Italy's investment in recycling of plastics from WEEE is therefore a unique and important development of the Italian recycling system.**

Stena Recycling has been operating in Italy since 2008 and is based in three different sites in Northern Italy (Cavenago, Angiari, Carpi). With an annual turnover of around 43 million EURO and 117,000 tons of WEEE recycled every year, Stena Recycling is the Italian market leader in recycling of WEEE.

WEEE fractions are complex waste streams composed of many different materials of which 30-40% is plastic. This means that there is both a need for and an opportunity in being able to recover plastic from WEEE. With the right processes, which have already been implemented at the Stena Nordic Recycling Center in Halmstad, Sweden, plastic waste from WEEE can be recycled into clean pellets with a

quality close to virgin plastic. The large volumes of WEEE handled by Stena Recycling Italy made it a natural next location to build up another process for plastic recycling into pellets that can be used in the production of plastic goods. The new plastic recycling plant is located in Angiari, close to the existing Stena Recycling facility.

The permit for recycling of WEEE plastics, with the authorization to turn it into product (end of waste), was approved in spring 2022 and the installation is ongoing in the fall of 2022, with the aim to start operations in the first quarter of 2023. The impact on the local economy is considering that Stena Recycling recently added 30-40 highly skilled individuals to its existing 200 employees with the expansion of a new internal lab to the WEEE operations. The plant is expected to treat 30.000-35.000 tons of plastic waste per year, mainly from Italy and bordering countries. With the process running on electricity, and Stena Recycling Italy using electricity from renewable sources, the climate footprint for the recycling process will be low.

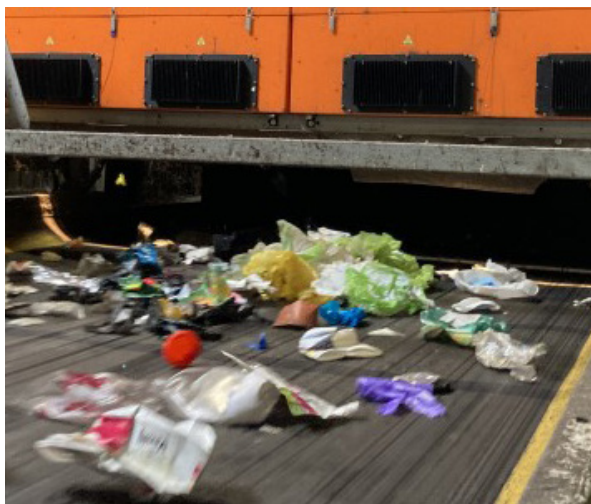


*“Stena Recycling has a long and important investment in Italy. Closing the loop from waste to product means that we can offer an opportunity that currently doesn't exist in Italy. This is important for the development of the Italian recycling system, and a really good example of transformation from linear to circular economy.”*

**says Giuseppe Piardi,  
MD of Stena Recycling Italy.**

## ACQUISITION OF NEW PLANT STRENGTHENS THE PLASTIC STRATEGY

**In 2022, Stena Recycling Sweden expanded its capacity in plastic recycling by acquiring Swerec's plastic recycling plant in Lanna, Sweden. The acquisition is part of Stena Recycling's plastics strategy and ambition to be leading in plastics recycling in Sweden.**



Swerec has been sorting and processing plastics in Sweden since 2002. In recent years, the company has made several investments in technology and equipment, which has resulted in a modern facility with high sorting capacity.

*"Swerec has extensive experience and knowledge of sorting and processing plastics from households and businesses, which fits in well with our efforts to recycle more plastic qualities",* says Fredrik Pettersson, MD of Stena Recycling Sweden.

In Lanna, 25,000 tonnes of plastic, mainly packaging plastic, are processed annually via a new fully automated sorting system. There is also space to further increase the capacity of the plant. In line with Stena Recycling's plastics strategy, development work has been initiated with an initial investment in an upgrade linked to the recycling of hard plastics that involves reprocessing the rejects (mainly black plastic and fines) that currently fall from the plant and are sent for incineration. The aim is to significantly increase the recycling rate. In addition to benefiting the overall business, the investment is another opportunity for Stena Recycling to satisfy and meet their customers' circular ambitions.

## RECYCLING OF SOFT PLASTICS IN POLAND

**In the Polish city of Wschowa, close to many large industries in Europe, Stena Recycling continues to develop its large recycling plant. By investing in a new LDPE (Low-Density Polyethylene Thermoplastic) line, Stena Recycling is supporting local, regional, and Central European customers in recycling their packaging plastics.**

LDPE waste consists of soft plastics used mainly for packaging, such as plastic bags, food packaging and industrial film. Through the recycling process installed in Wschowa, this waste is turned into plastic regranulates, which can be used as raw material for new plastic packaging products.

The new LDPE line, which was taken into operation in February 2022, will help make the Wschowa plant one of the largest and most innovative recycling hubs in Central Europe. When fully operational, the LDPE line will be able to handle about 7.000 tonnes of plastic film annually. The new LDPE plastics line is the first step in consolidating the market and meeting customer needs but, as with the Stena Nordic Recycling Center in Halmstad, there is great potential for further growth at the Polish recycling center. As there is already enough local incoming recycling material to run the new line, there are plans to double the capacity soon. Ultimately, the aim is to be able to handle almost all types of materials for recycling and to be one of the largest recycling plants in Europe.

*"We believe we have timed this LDPE line well. It is a large investment, but according to our forecasts a very safe financial one. However, we are not content with that and will continue to develop the business. We have a very good*

*location in Western Poland and we believe that both local and international customers need our support. Recycling is good for the climate and as many companies are looking for partners to help with waste management, we will continue to be one of the best partners to do so,"* says Piotr Ślusarz, Outbound Sales and Production Director, Stena Recycling Poland.

A similar line to the one installed in Wschowa is already operational at the Stena Nordic Recycling Center in Sweden. [Click on this link](#) to see a film about how the process works.





# GREEN BOND 2018-2023

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The Stena Metall Group issued its first green bond on May 23, 2018. The amount was SEK 800 million, with a term of five years. The net proceeds for this bond have been exclusively used for investments at the Stena Nordic Recycling Center, one of Europe's most advanced and efficient recycling facilities. This is the fifth yearly report. It presents the allocation of green net proceeds and adherence to the Green Terms.

Stena Metall's first Green Bond framework for the 2018-2023 bond states that the sole use of proceeds for this bond is to finance and refinance expenditure and future investments at the Stena Nordic Recycling Center.

At the Stena Nordic Recycling Center the materials that are most difficult to recycle are taken care of, more efficiently than ever before. Resources that were previously lost can now be used to manufacture new products, or to provide energy for the industry. Thanks to the large quantities of raw materials that are returned into circulation, this facility makes a vital contribution to the circular economy and a more sustainable society. Recycling also helps to reduce large amounts of carbon dioxide emissions.

Complex products from both households and industries are fed into the plant at a steady pace. These products include everything from computers, phones and tv:s to cars and trucks. The common factor is that they all contain a wide range of materials, representing a major challenge for recyclers.

The materials are treated in a series of technologically

advanced processes. These processes are conducted at high speed with the greatest possible accuracy. What comes out of our mills, magnets, sieves and sensors is a wide range of raw materials that are delivered back to industry, both in Sweden and the rest of the world. Stena Nordic Recycling Center makes the chain complete. This innovative plant takes recycling all the way from end-of-life products to high quality recycled raw materials.

This makes the Stena Nordic Recycling Center a game changer in recycling. And at the same time it plays an important role in the circular economy.

Stena Nordic Recycling Center has also established itself as a meeting spot for collaboration projects of different kinds, which is called Stena Recycling Lab. Ongoing projects at Stena Nordic Recycling Center include the building of a new aluminium processing facility at SNRC to better meet the high demand for recycled aluminium from the industry, and to invest in a completely new recycling process for batteries following the growth in sales of electric vehicles. Read more about this on page 10.



## DARK GREEN RATING BY CICERO

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A second opinion on the Green Bond Framework was provided by Cicero when the bond was issued. The full report is publicly available at the Group's website. Below is an extract of the summary.

*"Stena Metall's Green Bond Framework provides a clear and sound framework for climate-friendly investments. The framework lists eligible categories of "Green Projects", such as pollution prevention and control connected to waste recycling activities at the Stena Nordic Recycling Center (SNRC) in Halmstad, Sweden. /.../ These activities clearly promote a transition to low-carbon and climate-resilient growth and are an essential part of the green transition. /.../*

*CICERO found that the framework was aligned with the Green Bond Principles. Based on the overall assessment of the project types that will be financed by the green bond and governance and transparency considerations, Stena Metall's Green Bond Framework is rated CICERO Dark Green."*



# PROCESSES MEETING THE NEW RECYCLING CHALLENGES

The multitude of different recycling processes, gathered in one location, is what makes Stena Nordic Recycling Center unique. This also increases efficiency and reduces the need for transportation.

- 1. NON-FERROUS METAL PROCESSING**  
Stainless steel, copper, aluminium and other non-magnetic metals are separated from each other. This mixture comes from vehicles and other complex products - including those from municipal recycling centres. Before processing, the materials are ground into smaller pieces in a powerful shredder.
- 2. SHREDDER LIGHT FRACTION PROCESSING**  
Shredder Light Fraction is a tangled, difficult to sort residue produced when vehicles and other complex products are ground in shredders. It consists of textiles, foam rubber, wood and small fragments of plastic and metal which, in the past, was mostly sent to landfill sites. Thanks to our technology, a large proportion of the metal content can now be recycled. Much of the other material can be used as high-quality fuel for energy-intensive industries, or in the production of district heating and electricity.
- 3. FIRST TREATMENT**  
All the electronic products sent to the Stena Nordic Recycling Center are handled by specially trained personnel. They remove all hazardous waste, such as batteries and components containing mercury and PCB, so that no environmentally harmful substances enter the recycling process. This is carried out manually, as there are currently no automated processes that can assure high-quality results.
- 4. PRECIOUS METAL RECYCLING**  
After first treatment, decontaminated electronic products are processed in an advanced, automated system. Copper and aluminium fractions are extracted, along with circuit boards containing gold and silver. Even plastics are extracted into a recyclable fraction. Plastic containing harmful flame retardants are removed and can be used as fuel.
- 5. REUSE**  
Some electronic products contain screens and other components that still function. At the Reuse department, these are extracted and tested before being delivered to electronics manufacturers, where they can live on in new products. From a circular perspective, reuse is a better option than material recycling, whenever it is possible.

- 6. PLASTIC RECYCLING**  
New raw materials are produced by recycling plastic from electronic products and packaging film. The recycled plastic raw material is equivalent to the raw material produced by oil. The major advantage is that fossil resources are saved, when existing plastics can be used again.
- 7. CABLE RECYCLING**  
Used cables contain a lot of precious materials, copper being the most valuable. Recycling cables in an efficient way, with high quality output requires skilled staff and advanced automated sorting machines. The state-of-the-art cable recycling process at Stena Nordic Recycling Center has a capacity of 15,000 tonnes per year.
- 8. BATTERY CENTER**  
The latest establishment at Stena Nordic Recycling Center is the Battery Center. The purpose of the Battery Center is to develop methods and processes for the handling and recycling of different types of batteries. So far the volumes of end of life vehicle batteries are small. But the volumes will grow bigger in the near future, and Stena Recycling will be ready to take care of those batteries.



# SNRC – THE YEAR IN REVIEW

## THE FUTURE OF BATTERY RECYCLING

As the world is rapidly turning electric, the need for solutions when it comes to recycling of batteries is gaining focus. Increasing attention to electrification provides a great opportunity for Stena Recycling to address customers' challenges by presenting its expertise and solutions to close the loop for used batteries.

In close proximity to Stena Nordic Recycling Center a so-called phase 2 facility is being built. It will take battery recycling to the next level and enable to recycle 95 percentage of a lithium-ion battery. To succeed with this, an industrial-scale process for safe, mechanical breakdown of batteries will be built. This process will extract plastic and aluminum but also something called black mass. The black mass contains, among other things, lithium, cobalt, and nickel, which can be processed into circular raw materials to produce new lithium-ion batteries. The black mass processing is developed in collaboration with Johnson Matthey, one of the global leaders in sustainable technologies.

As part of the investment in batteries, Stena Recycling arranged a hybrid event about the future of battery recycling which was held on-line and at SNRC at the end of November 2021. With the event, Stena Recycling wanted to create knowledge about battery recycling and show its solutions to the challenges that the increasing electrification contributes



to. Both experts in circularity or batteries from the Group and from other companies took part in the event. In total 750 participants from Stena Recycling's different markets joined the event and the feedback was positive.

In addition to the phase 2 facility in Halmstad, Stena Recycling is also building seven battery centers around Europe, where batteries from electric vehicles will be collected, discharged, and dismantled with a safe method.

Since this investment is partly funded by a grant from the Swedish Energy Agency, it has not been included in the framework this year, to avoid any risk of double counting.

## RECYCLERS – A SUCCESSFUL SUMMER CAMPAIGN

In the summer of 2022, Stena Recycling launched its new summer job concept "Recyclers". For a couple of summer weeks, eight young people cycled around the city collecting electronic waste from businesses and individuals for reuse and recycling at SNRC.

While learning about recycling, reuse and sustainability, the Recyclers helped both businesses and individuals to get rid of old IT equipment.

In addition to cycling, Stena Recycling placed a container at a large supermarket where the Recyclers accepted electronic waste from the public for a week.

The Recycler summer campaign received a lot of attention from companies in Halmstad and from the media, which increased the visibility of electronics recycling at SNRC and thereby helped in securing a positive future business climate.



## USE OF PROCEEDS

The net proceeds from the issue of the Green Bond are used exclusively to finance and refinance investment in Stena Nordic Recycling Center.

From September 2013 until August 31, 2022, the Group has invested SEK 995 million in the Stena Nordic Recycling Center. These investments are built on collaborations with customers and partners, not least vehicle manufacturers and suppliers of electrical and electronic goods.

Since start, large investments (SEK 294 million) have been made in adaptations to make the site suitable for industrial recycling and meet environmental and workplace safety requirements. Property investments during the year amounted to 5 MSEK. However, due to a fire that occurred at SNRC just before the end of the previous accounting year, 24 MSEK in property value has been derecognized from the balance sheet. The net change in property investment during the year is therefore -19 MSEK.

The single largest investment (SEK 304 million) has been in non-ferrous metal (NF) processing - sorting metals from other material and from each other. Investments here include x-ray and laser sorting machines, which use advanced technology to separate mixed metals into clean metal fractions that can be sold directly to metal smelters.

Another part of the investment (SEK 179 million) was used to create Europe's largest precious metals recycling (PMR) facility, where precious metals are extracted from electronic products. Before being fed into the process, hazardous

substances are removed at a first treatment unit. The first treatment is where fire occurred last accounting year. The original facility has not yet been rebuilt, but the process is up and running again in a temporary facility.

An innovative process has also been installed to recycle shredder light fraction in an efficient way (investment SEK 98 million). SLF is a difficult to recycle mix of plastic, metal, rubber, textiles and other material, in small fragments, that results when cars and other products are ground up in a hammer mill.

The processes for recycling soft plastic and plastic from electronic products required investments of SEK 12 million and SEK 50 million respectively. These processes produce plastic raw material in the form of pellets, which act as a sustainable substitute for plastic produced from virgin sources.

The process for cable recycling has required an investment of SEK 36 million. This highly efficient process, produces clean metal fractions to be sold to metal smelters around the world.

Improvements related to working environment and the environment for visitors are made continuously. Stena Nordic Recycling Center attracts a lot of visitors, and today there is a structured way of handling all these visits and to guide groups around the plant in a professional way.

## INVESTMENTS

PROJECT	Balance per date	New investments	Balance per date	New investments	Balance per date
	2020-08-31	2020/2021	2021-08-31	2021/2022	2022-08-31
PMR	169	8	177	2	179
Plastic (from electronics products)	43	7	50	0	50
First Treatment	3	0	3	0	3
Property	309	4	313	-19 <sup>(1)</sup>	294
NF	278	5	283	21	304
SLF	94	0	94	4	98
Plastic (soft Plastic)	11	1	12	0	12
Cable	36	0	36	0	36
Other	1	3	4	15	19
<b>TOTAL</b>	<b>944</b>	<b>28</b>	<b>972</b>	<b>23</b>	<b>995</b>

(1) Investments in property during the year amounted to 5 MSEK, however, due to a fire that occurred at SNRC just before the end of the previous accounting year, 24 MSEK in property value has been derecognized from the balance sheet. The net change in property investment during the year is therefore -19 MSEK.

# IMPACT AND PERFORMANCE METRICS

For its investment in the Stena Nordic Recycling Center, the Stena Metall Group has developed relevant impact and performance metrics, in accordance with the main Green Bonds Principles category Pollution Prevention and Control and the secondary categories (i) Waste Management and Waste Recycling, (ii) Environmental Monitoring and Reduction of Negative Environmental Externalities, (iii) Eco-efficient, Circular and Value Added Products from Waste and Remanufacturing as well as (iv) Energy and Resource Efficiency.

Presented in the tables below are the key figures for the financial year 2021/2022.

## KEY FIGURES

1	Processed waste at SNRC	230,752 tonnes
2	Fractions and volumes recovered from waste	
	Ferrous (incl stainless steel)	45,189 tonnes
	Aluminium	53,528 tonnes
	Copper	17,700 tonnes
	Other metals	3,063 tonnes
	Plastic	7,725 tonnes
	Glass	0 tonnes
	Other reuse and recycling	72 tonnes
	Total material recovery	127,278 tonnes
3	Processed number of cars per year (number of cars)	217,673 cars
4	Percentage of recyclable materials from cars (%)	96.7%
5	Prevented CO <sub>2</sub> e emissions from recycled material (tonnes)	899,368 tonnes CO <sub>2</sub> e
6	Water use per ton material processed (cbm)	0,127 cbm
7	Total energy consumption and GHG emissions from SNRC	2,942.5 tonnes CO <sub>2</sub> e

ENERGY TYPE	CONSUMPTION	EMISSIONS
District Heating	4,712,072 kWh	532.5 tonnes CO <sub>2</sub> e
Electricity	25,136,303 kWh	276.5 tonnes CO <sub>2</sub> e
Diesel machinery	349,662 Liter	937.4 tonnes CO <sub>2</sub> e
Diesel heating	342,645 Liter	918.6 tonnes CO <sub>2</sub> e
Fuel oil heating	96 m3	277.5 tonnes CO <sub>2</sub> e
<b>Total</b>	<b>-</b>	<b>2,942.5 tonnes CO<sub>2</sub>e</b>

### DEFINITIONS

- Total amount of waste processed at SNRC. Calculated as the sum of all outbound fractions from the processes at SNRC.
- Material recovery from waste processed at SNRC. Calculated from outbound fractions and contents of processed materials.
- Number of recycled end-of life vehicles (ELV) from which waste is processed at SNRC. Calculated as the sum of processed ELVs at the shredders that delivers material to SNRC for further upgrading.
- Recycling rate of ELV material processed at Stena Recycling shredders and SNRC, including energy recovery for residual fractions. The recycling rate for car bodies delivered to Stena Recycling is based on batch tests at Stena shredders and SNRC.
- Data regarding disassembly before delivery to Stena comes from Bil Sweden reporting.
- Prevented CO<sub>2</sub>e emissions when recycled material is used instead of virgin material. Calculated based on the amounts of materials recovered at SNRC and established factors for CO<sub>2</sub>e prevention for different materials.
- Water consumption at SNRC per tonne of processed material. Calculated with input from KPI 2 and input from reading of flowmeters (water) also confirmation from supplier invoice.
- Total energy consumption and GHG emissions from SNRC. Emission factors include scope 1, 2 and 3 for the reported energy types. Due to consequences of the fire at first treatment, diesel and fuel oil had to be partly used for heating during the year.



## Independent Auditor's Limited Assurance Report on Stena Metall's Green Bond Report

To Stena Metall AB, Corporate identification number 556138-8371

We have been engaged by the Board of Directors of Stena Metall AB ("Stena Metall Group") to perform a limited assurance engagement of Stena Metall's *Green Bond Report* for 21/22 ("the Report").

### Responsibilities of the Board of Directors and Group Management

The Board of Directors and Group Management are responsible for preparing the Report in accordance with applicable criteria. The criteria are described in *Stena Metall Group Green Bond Frameworks* ("the Frameworks") dated April 2018 (page 7-9) and April 2022 (page 11-13), both are available on Stena Metall's website ([www.stenamettall.com](http://www.stenamettall.com)), that are applicable to the Report, as well as the accounting and calculation principles that the company has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

### Responsibilities of the auditor

Our responsibility is to express a limited assurance conclusion on the Report based on the procedures we have performed and the evidence we have obtained.

We conducted our limited assurance engagement in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by IAASB. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the management of bond proceeds and for the preparation of the Report, and applying analytical and other limited assurance procedures, including inspection of documentation, and limited sample testing of selected information.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

Our firm applies ISQC 1 (*International Standard on Quality Control*) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent towards Stena Metall in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria suitable for the preparation of the Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

### Conclusion

Based on the limited assurance procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Report is not prepared, in all material respects, in accordance with the reporting criteria.

Gothenburg, the day stated on our electronic signature

PricewaterhouseCoopers AB

Johan Rippe  
Authorised Public Accountant

Sanna Efraimsson  
Sustainability Expert Member of FAR