

GREEN BOND FRAMEWORK



ABOUT THE STENA METALL GROUP

CARING FOR RESOURCES

Stena Metall Group creates value through close collaboration with customers and partners across all areas of operation. Since the start in 1939, our operations have evolved and expanded – from local scrap dealing in Gothenburg, Sweden, to a wide range of offerings within circularity and industrial resources. The Group includes Stena Recycling, one of Europe's leading recycling companies, which collects and recycles a wide range of materials and complex products. Offerings by the other companies in the Group include aluminum alloys, steel products, marine fuels, and secure handling of confidential materials.

By leveraging our combined expertise, we optimize material flows, reduce waste, and enhance operational performance. Our aim is to provide solutions that support customers in the efficient use of resources and towards increased circularity.





QUICK FACTS ABOUT US



4,407

number of employees



9

countries we are present in



200

sites where we operate



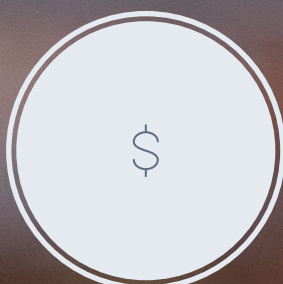
7

business areas



6,000,000

tonnes of waste collected
for recycling each year



MSEK 41,620

net sales in the last
fiscal year



OWNERSHIP STRUCTURE

privately owned by the
Olsson family



1939

the year Stena Metall
was founded

OUR BUSINESSES

STENA RECYCLING

Stena Recycling is one of Europe's leading recycling companies, offering comprehensive solutions in recycling and circular services. Stena Recycling is presented more in detail on the next page.

STENA STÅL

Stena Stål is a steel supplier with operations in 14 locations in Sweden. The company offers a wide range of beams, bars, pipes, rebar, sheet metal, stainless steel, aluminium and special steel. Stena Stål also offers adaptation and pre-treatment of steel products according to customer-specific needs.

STENA CONFIDENTIAL

Stena Confidential ensures permanent deletion of sensitive information on paper, digital storage media and various products. Their customized solutions address all kinds of confidential material needs, including the collection of confidential waste containers and the issuance of destruction certificates.

STENA NEW VENTURES

Stena New Ventures identifies and develops new business opportunities based on internal ideas or by collaborating or investing in start-ups.

STENA ALUMINIUM

Stena Aluminium is a leading producer of customized aluminium alloys that provides the automotive and engineering industries with components made of mainly recycled materials. In addition, Stena Aluminium offers technical support, advisory services, and training in metallurgy and engineering design.

STENA OIL

Stena Oil is Scandinavia's leading supplier of bunker oil and comprehensive marine solutions for vessels in the Skagerrak, Kattegat and North Sea region. Efficient deliveries are offered round-the-clock as well as collection and purification of discharge water from customers' vessels. Since 2023 Stena Oil has been qualified with ISCC EU and ISCC Plus certificates. This means that biofuel can be bought and sold, supported with proof of sustainability. All in line with the Renewable Energy Directive (EU) 2018/2001 (RED II).

STENA METALL FINANS

Stena Metall Finans serves as the Group's in-house bank, responsible for the Group's funding activities. With continuous development of stable and efficient ways of managing liquidity and financial risks, as well as financial asset management, Stena Metall Finans strives to contribute to the Group's results.

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. Operations are conducted in seven European markets: Sweden, Norway, Denmark, Finland, Poland, Italy, and Germany.

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. Besides recycling and refining products and waste materials, Stena Recycling offers expertise in circularity through its international consulting business Stena Circular Consulting.

STENA NORDIC RECYCLING CENTER

The Stena Nordic Recycling Center in Halmstad, Sweden is one of the most modern recycling facilities in Europe and forms the hub of the Group's industrial recycling infrastructure. The advanced processes enable production of recycled raw materials of high, consistent quality and has since its inauguration in 2016 contributed significantly to increase the level of material recycling that can be achieved, even from complex, mixed waste streams.

Complex materials from several countries are recycled here, and processes and technologies are constantly being developed and refined. Waste and discarded products from both households and industry are handled for reuse or recycling, ranging from computers, telephones and TVs, to bicycles, cars, and heavy goods vehicles. The common denominator is that the products consist of many different materials. This places great demands on the recycler, as the materials need to be processed and separated through a series of technologically advanced recycling processes. The processes include mills, magnets, sieves and sensors, which result in a large number of fractions of recycled raw materials.

Stena Nordic Recycling Center is also the home of Stena Recycling Lab which is dedicated to expanding expertise, testing new recycling technology and developing new products. It offers physical testing facilities to entrepreneurs, researchers and students. The goal is to stimulate and accelerate the innovation and development of new technology, products, and services.



STENA METALL GROUP AND SUSTAINABILITY

Stena Metall works closely with customers and partners to use resources smarter and more efficiently. Value is created by focusing on recycling, delivering services and products for trade and industry, and ensuring sound financial management. The circular products and services provided contribute to the development of the circular economy. The Group has a broad approach to sustainability, which is divided into three areas: Care for the environment, Care for people, and Care for sustainable business. Within all three areas, Stena Metall strives to minimize negative impacts and continue to increase the positive impacts of the business.

THREE SUSTAINABILITY AREAS

The three areas Care for the environment, Care for people, and Care for Sustainable business support the Group's sustainability work.



CARE FOR THE ENVIRONMENT

Stena Metall supports the transition towards a circular economy by collaborating with customers and business partners to increase circularity in society. Stena Metall also aims to minimize the Group's climate impact, both internally and throughout the value chain, through sustainable practices and innovative solutions. Stena Metall assesses the environmental risks that could occur in its operations and take precautionary measures to prevent such risks.



CARE FOR PEOPLE

Together in the Group, the people build a safe and engaging working environment, with care and inclusion as drivers. The aim is to create a culture driven by engagement and a strong business acumen. Stena Metall continuously strives to develop the Group's people and leaders and enable them to create value and grow within the organization.



CARE FOR SUSTAINABLE BUSINESS

Stena Metall conducts business in a responsible way, in accordance with the values stated in the Group's Code of Conduct. The Group also engages in dialogue with suppliers, customers, and business partners to promote sustainable value chains, with consideration for people, the environment, and sound business principles.

MATERIAL TOPICS

The table below shows the sustainability topics identified in the materiality analysis for 2023/2024. The topics identified as material are those that are prioritized within the Group-wide sustainability work. They are also the ones which are reported in the Sustainability report, in accordance with the requirements of GRI 2021.

CARE FOR THE ENVIRONMENT

- Circular transition
- Climate impact
- Recycling and waste management
- Energy consumption
- Emissions to water or soil

CARE FOR PEOPLE

- Health and safety
- Diversity and inclusion
- Attract and engage employees
- Learning and development

CARE FOR SUSTAINABLE BUSINESS

- Sustainable value chain
- Business ethics and Code of Conduct
- Anti-corruption

CARE FOR THE ENVIRONMENT

CARE FOR THE ENVIRONMENT

Caring for resources is fundamental for the Group. It is central to the business concept, in how it creates value for customers, how the Group conducts internal operations, and how it affects investments.

Stena Metall strives to preserve the value of materials and products, reduce waste, and increase circularity.

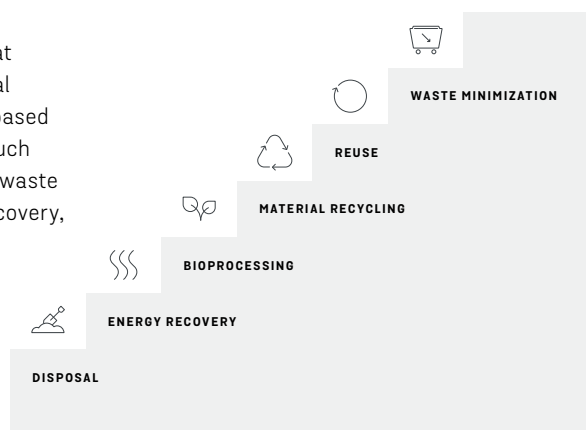
The Group's commitment to care for the environment includes working to reduce carbon emissions and to prevent pollution. Collaboration with customers and partners is essential to promote a more circular economy in society.

Progress is made through sharing knowledge, highlighting good examples, adopting new technologies and methods, and research and development.

RECYCLING AND WASTE MANAGEMENT

Stena Metall is committed to waste management practices that improve resource efficiency and reduce negative environmental impact. Stena Recycling's waste management operations are based on the waste hierarchy, as defined by the EU, to preserve as much material value as possible. In order of priority, the hierarchy is: waste prevention, reuse, material recycling, bioprocessing, energy recovery, and lastly, landfill as the least preferred option.

The goal is to continually elevate waste management practices, moving towards the higher levels of the hierarchy. This approach ensures that as much material value as possible is retained within the circular economy, benefiting both the economy and the climate.



CIRCULAR TRANSITION

In a linear economy, products are mainly manufactured from finite natural resources. They are ultimately destined to become waste because of the way they are designed and manufactured. After being used they typically end up in landfills. In a circular economy and the circular transition, worn-out products are being repaired, refurbished, and reused in new applications – or recycled into high-quality raw materials for use in new products.

SCIENCE BASED TARGETS INITIATIVE (SBTi)

As one of the first European companies in the recycling and waste management sector, Stena Recycling has had both its near-term and net-zero science-based emissions reduction targets approved by the Science Based Targets initiative (SBTi). Stena Recycling, including all the companies and countries, are committed to the Science Based Targets initiative, both near-term and net-zero targets.

The net-zero target commits Stena Recycling Group to reach net-zero greenhouse gas (GHG) emissions across the value chain by 2050. This means reducing absolute scope 1, 2, and 3 GHG emissions by 90% by 2050 from a 2021 base year. The near-term target commits Stena Recycling to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2021 base year. Stena Recycling Group also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, capital goods, upstream transportation and distribution and downstream transportation and distribution 25% within the same timeframe.

QUICK FACTS

The Science Based Targets initiative (SBTi) is a global body enabling businesses to set ambitious emissions reductions targets in line with the latest climate science, limiting global warming to 1.5 degrees. It is focused on accelerating companies across the world to halve emissions before 2030 and achieve net-zero emissions before 2050. The initiative is a collaboration between the environmental reporting platform CDP, the United Nations Global Compact, World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and one of the We Mean Business Coalition commitments.

CARE FOR PEOPLE

CARE
FOR
PEOPLE

Stena Metall uses care and inclusion to build a safe and engaging working environment. The ambition is to create a culture driven by engagement and strong business acumen. The goal is to develop the leaders and employees of the Group, enabling them to create value and grow within the organization.

The Group's commitment to caring for people is an important aspect of the sustainability approach. Long-term prosperity and development require passionate people who possess the right skills. The culture in Stena Metall is built on a delegated business acumen, shared values, and a focus on continuous professional development. At the core of Stena Metall's culture are the three values: simplicity, reliability, and development. These principles, along with the Code of Conduct, guide every aspect of the Group's activities. The culture is strongly rooted in a belief in delegated business acumen, which encourages a sense of personal responsibility and commitment among employees, enabling them to make decisions and quickly adapt to change. By attracting and engaging people, promoting learning and development, and reinforcing the value-based culture, the Group aims to create a strong foundation for all employees.

CARE FOR SUSTAINABLE BUSINESS

CARE FOR
SUSTAINABLE
BUSINESS

Stena Metall aims to be an open, accessible, and responsible actor with a high level of expertise in resource management and circular flows. Operations are conducted with consideration for individual well-being, environmental impact, and sound business principles. The Group works with suppliers, customers, and partners to promote sustainable value chains. Through these efforts, Stena Metall strives to contribute to a better future for both customers and society.

CODE OF CONDUCT

The internal Code of Conduct is a comprehensive guide for the Group's interactions with stakeholders. It also determines its policies on human rights and business ethics. The internal Code of Conduct applies to all companies within Stena Metall and has been approved by the Board of Directors. The internal Code of Conduct is given to all employees in their local languages. It forms an integral part of the onboarding process of new employees and is supplemented by an e-learning course.

SUSTAINABLE VALUE CHAIN

Stena Metall maintains robust relationships with suppliers and other business partners, governed by the Business Partner Code of Conduct. The Business Partner Code of Conduct is aligned with the expectations outlined in the Group's internal Code of Conduct, but specifically addresses external suppliers and partners.

FRAMEWORK STRUCTURE

Stena Metall issued its first Green Bond in 2018 as a part of the commitment to sustainability. The Green Finance Framework was updated in 2022 and now, for the third time, Stena Metall has updated the Green Bond Framework ("The Framework") again to align with most recent market practice. Thus, this updated Framework replaces the previous Framework and will continue to support Stena Metall's sustainability targets and commitment to driving the circular economy forward while also reducing CO2 impact.

The Framework has been developed in alignment with the ICMA Green Bond Principles (GBP) from 2021 (with June 2022 Appendix I), and therefore consists of the four key core components of the principles including the key recommendations of external review, namely:

- Use of proceeds
- Process for asset evaluation and selection
- Management of proceeds
- Reporting
- External Review

The Framework is applicable for issuance of Green bonds. It is Stena Metall's intention to follow the best practices as the market standards develop and therefore the Framework may over time be updated. The second opinion, together with the Framework, is publicly available on Stena Metall's [website](#).

EU TAXONOMY

The EU Taxonomy Regulation is a classification system that establishes if an economic activity is sustainable. Stena Metall aims to report according to the EU Taxonomy in the future and will, if relevant and on a best effort basis, include EU Taxonomy eligibility and alignment in future Green Bond reports.

EXCLUSIONS

Net proceeds will only be allocated to the companies and activities stated in the Use of Proceeds section, which means that no net proceeds will be allocated to Stena Stål, Stena Oil, Stena Confidential, Stena Aluminum or Stena Metal Inc. Net proceeds will not be allocated to assets for which the purpose of the asset is fossil energy production, harmful resource extraction or waste-to-energy investments.

USE OF PROCEEDS

The net proceeds from Stena Metall's issuances of Green Finance Instruments will exclusively be used to finance or re-finance, in whole or in part, Green Eligible Assets within Stena Recycling and its subsidiaries or acquired entities by that business area¹. Green Eligible Assets aim to promote environmental and societal benefits as determined by Stena Metall and its sustainability ambitions. Such Green Eligible Assets will equally comply with Stena Metall's Code of Conduct, Sustainability Ambitions, and other guidelines and instructions found on the company website. The proceeds raised based on this Framework can be applied towards ownership, capital expenditures ("CapEx") and operational expenditures ("OpEx"). Examples of use of proceeds are acquisitions of facilities, tools, processes, machines, supportive infrastructure and R&D, that support the development of innovative and efficient recycling or other circular solutions. Green Finance Instruments issued under this framework will be referenced in associated legal document.

Information about the split between financed and refinanced assets will be included in the Green Bond Impact Report. The definition of financed assets are those assets which has been, or will be, taken into operation one year before the asset is approved by the Green Finance Committee. There is no uniformed look-back period for refinanced Eligible Assets, the Green Finance Committee will assess the remaining lifetime of those assets and its remaining life cycle benefit as the base for refinancing Eligible Assets. It is Stena Metall's intention to follow the best practices, in relation to Green Bonds as the market standards develop and as the EU classification of environmentally sustainable economic activities enter into force. Therefore, Stena Metall's Green Finance Framework may be amended and/or updated to reflect the changes in market practice.

In addition to Green Finance Instruments issued by Stena Metall in the capital market, the company may have bilateral Green Loans provided by lending institutions. Green Loans taken by Stena Metall may be provided by lending institutions that finance these by issuing Green Bonds. Stena Metall will report the aggregate amount of Green Loans taken and specify assets that has been financed by a Green Loan in a separate section of the Green Bond Investor report.



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For Joint Ventures and other acquired entities, only Stena Metall's share of Green Eligible Assets will be financed under this Framework and not the entire financing cost.




ELIGIBLE ASSET CATEGORIES



CIRCULAR ECONOMY

ICMA GBP category	Circular economy
EU environmental objective	Climate Change Mitigation
SDGS	<div>  Target 12.5  Target 13.1 </div>
Criteria	<p>CIRCULAR ECONOMY</p> <p>Stena Recycling Investments in comprehensive solutions within recycling and circular services. All investments aiming to move waste upwards in the waste hierarchy and to increase the share of products and materials that can be reused or recycled including related infrastructure. When applicable, Best Available Technology (BAT) conclusions are used for investments decisions.</p> <p><u>Example investments:</u> Investments in recycling of lithium-ion vehicle batteries, electronic waste (WEEE), different types of plastics, non-ferrous processing such as sorting metals from other materials and from each other, and other types of processing of complex waste to recover recycled material fractions that can be used as resources in new production.</p>

CLEAN TRANSPORTATION

ICMA GBP category	Clean transportation
EU environmental objective	Climate change mitigation
SDGS	<div>  Target 11.2 </div>
Criteria	<p>CLEAN TRANSPORTATION</p> <p>Investments in electric vehicles and working machines for use in the recycling operations, including associated infrastructure such as charging stations.</p> <p><u>Example investments:</u> Battery-driven and/or grid-connected electric vehicles and working machines such as trucks, construction equipment, forklifts and associated charging infrastructure. Freight cars for rails, transporting material to and from the facilities.</p>

RENEWABLE ENERGY

ICMA GBP category	Renewable energy			
EU environmental objective	Climate change mitigation			
SDGS		Target 7.2		Target 9.4
Criteria	<p>RENEWABLE ENERGY</p> <p>Investments in renewable energy and associated infrastructure such as grid connections, transmission systems, and structural foundations.</p> <p><u>Example investments:</u></p> <p>Wind and solar power, including associated charging infrastructure.</p>			



SELECTION AND EVALUATION OF GREEN ELIGIBLE ASSETS

Stena Metall has established a Green Finance Committee (GFC) to evaluate and select assets that are in line with the criteria set out in the use of proceeds section.

The committee meets at least on an annual basis or when needed. The Green Finance Committee is comprised of representatives from Treasury, Group Sustainability, Business Control, as well as the Group CEO. The sustainability representative will have veto to refuse assets that do not fulfil the criteria and has the deciding vote in a two against two scenarios.

Stena Metall will ensure that Green Eligible Assets adhere to applicable laws and regulations as well as the company's Sustainability ambitions and Code of Conduct to identify environmental and/or social risks associated with the Green Eligible Assets.

The Green Finance Committee is responsible for:

- Evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of Proceeds section.
- Ensuring that the pool of Green Eligible Assets is aligned with the categories and criteria as specified in the Use of Proceeds section.
- Replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.)
- On a best effort basis, reviewing and updating the content of the Framework and managing any future updates of this document to reflect relevant changes in the Company's corporate strategy, technology and market developments.

MANAGEMENT OF PROCEEDS

An amount equal to the net proceeds of any Green Finance Instrument raised will be credited to an earmarked account that will support Stena Metall's lending to Green Eligible Assets.

So long as Green Finance Instruments are outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Stena Metall's lending pool in an amount up to all disbursements from that pool made in respect of Green Eligible Assets. The earmarked account will ensure monitor and track the Green Eligible Assets. The Group Treasury is responsible for the allocation of proceeds. If, for any reason, a Green Eligible Asset ceases to comply with the requirements set out in this Framework such asset will be removed from the earmarked pool.

Proceeds yet to be allocated towards Green Eligible Assets will be placed in the liquidity reserves and managed as such. If the Green Account has a positive balance the unallocated funds may be invested in short-term interest-bearing securities pending investment in Green Eligible Assets. Such allowed investments are Swedish treasury bills and highly rated short term bank notes (A+ rating from Standard & Poor's or an equivalent rating from Moody's or Fitch). The ambition is to use the proceeds within one year and no later than two years from the time of issuance of Green Finance Instruments.

REPORTING

To enable investors to follow the development and to provide insight into prioritized areas, Stena Metall will provide a Green Bond Report on an annual basis as long as Stena Metall has Green Finance Instruments outstanding, and thereafter in case of any material change to the allocation. Stena Metall intends to report on quantitative impact indicators where feasible and relevant data information is available. The Green Bond Investor Report will include:

ALLOCATION REPORTING

The allocation report will, to the extent feasible, include the following components:

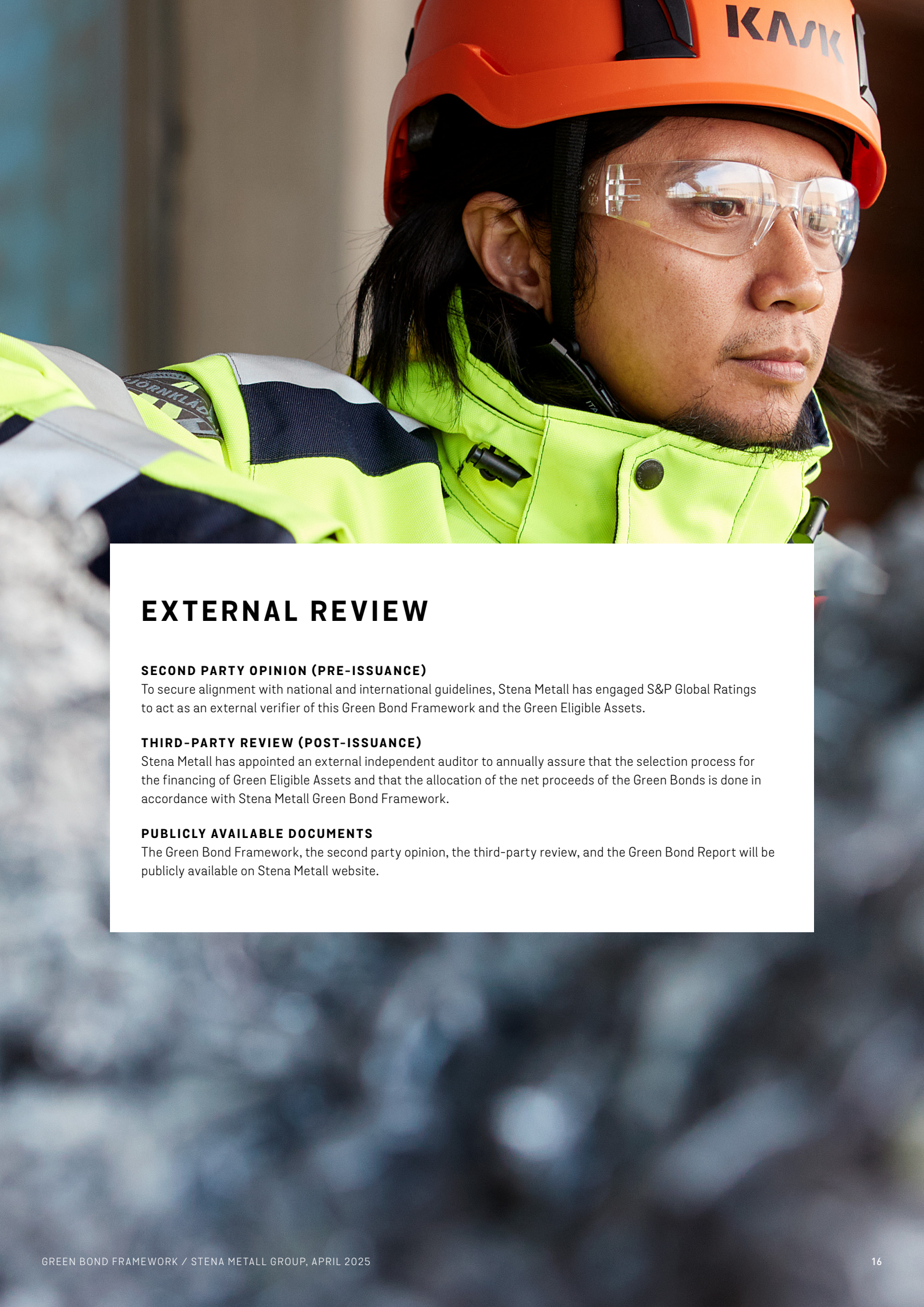
- A description of the portfolio of Green Eligible Assets;
- Type of financing instruments utilized and respective outstanding amounts;
- Information on the split between new financing and re-financing;
- A list of Green Eligible Assets including the amounts allocated and including allocated and disbursed amounts per category and geographical distribution.

IMPACT REPORTING

Stena Metall Group will report on the environmental impact of Green Eligible Assets financed by Green Finance Instruments on a best effort basis. The impact reporting aims to disclose the environmental impact of such Green Eligible Assets financed under this Framework, based on Stena Metall Group's financing share of each asset.

As Stena Metall Group can finance large and small Green Eligible Assets in the same asset category, impact reporting will be provided for a selection of projects within the Green Eligible Assets. The information may be provided on an aggregated portfolio basis due to confidentiality agreements, competitiveness considerations or numerous projects limiting the amount of detail that can be made available. Examples of impact indicators and metrics that may be included in the Green Bond Investor Report can be found in the table below. When reporting on quantitative indicators, the methodology for calculating the impact indicators will be described in the report. In the table below some metrics are outlined, however, these metrics may change over time subject to providing a relevant understanding of the impact. Both allocation and impact reporting are audited by an independent external third party, to verify accuracy and enhance credibility.

Eligible asset category	Examples of impact indicators
Circular economy	<ul style="list-style-type: none">• Recycling rates• Processed material in tonnes• Fractions and volumes• Avoided CO2 emissions of recycled materials
Clean transportation	<ul style="list-style-type: none">• Number of fossil-free vehicles deployed• Number of electric vehicles charging points installed
Renewable energy	<ul style="list-style-type: none">• Annual renewable energy generation in MWh• Installed renewable energy capacity



EXTERNAL REVIEW

SECOND PARTY OPINION (PRE-ISSUANCE)

To secure alignment with national and international guidelines, Stena Metall has engaged S&P Global Ratings to act as an external verifier of this Green Bond Framework and the Green Eligible Assets.

THIRD-PARTY REVIEW (POST-ISSUANCE)

Stena Metall has appointed an external independent auditor to annually assure that the selection process for the financing of Green Eligible Assets and that the allocation of the net proceeds of the Green Bonds is done in accordance with Stena Metall Green Bond Framework.

PUBLICLY AVAILABLE DOCUMENTS

The Green Bond Framework, the second party opinion, the third-party review, and the Green Bond Report will be publicly available on Stena Metall website.

POLICY DOCUMENTS

Policy documents that govern Stena Metall Group and the sustainability work.

Name	Information
Principles, convictions and values for Stena Metall AB	Link
Code of Conduct	Link
Code of Conduct for Business partners	Link
Stena Metall Group Health, Safety and Security Policy	Link
Sustainability Ambitions	Link
Sustainability Report	Link
Green Bond Impact Report	Link
Climate Impact Report	Link

