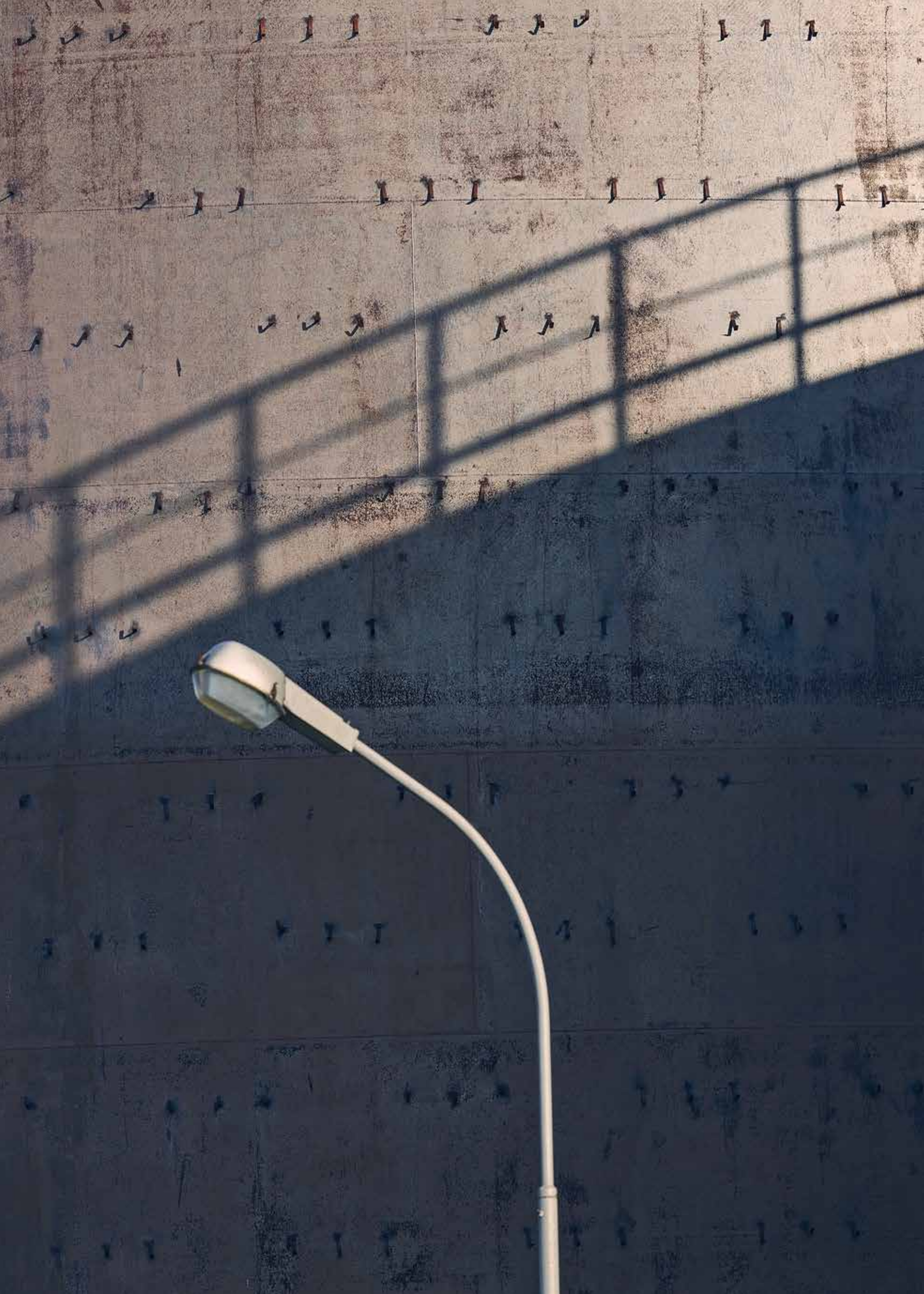


STENA METALL







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THE YEAR IN BRIEF 2017/2018

The result for 2017/2018 is the best so far in the company's history with EBITDA 1,657 MSEK (previous year 1,382 MSEK).

The business year was characterized by stable market conditions, which resulted in improved market positions for most of the Stena Metall Group's business areas.

China's new import rules impose higher quality requirements on recycled materials to be imported into the country. Stena Recycling has competitive advantages thanks to investments in Europe's most modern recycling plant – Stena Nordic Recycling Center in Halmstad.

Stena Recycling is at the forefront when it comes to recycling – a lead that the company retains by further developing processes and new technologies at all facilities to meet the needs of the outside world and customers.



Stena Metall Finans issued its first green bond of 800 MSEK. The interest among investors was wide and the investor base broadened considerably. The issue could be implemented thanks to long-term and persistent sustainability work within the Group.

Stena Oil, in cooperation with the port of Frederikshavn, has decided to build Scandinavia's largest bunker terminal with a capacity of 75,000 cubic meters. The terminal is part of the adaptation to the more stringent rules for ship fuel which will be introduced in 2020.

From September 2018, the business areas Recycling and Electronics Recycling were merged. The merger makes it possible to take the next step in line with market development, where Business to Business becomes an increasingly important part of the electronics business.



THIS IS STENA METALL

The Stena Metall Group has operations at around 200 locations in ten countries. Our 3,800 employees work closely with our customers in order to create new value that everyone benefits from - businesses, the environment and society as a whole.

Each year, we recycle six million tonnes of waste and end-of-life products and provide our customers with the raw materials they need, such as steel products and marine fuel. Through research and development, we aim to meet future challenges with new, sustainable solutions.

SIMPLICITY, RELIABILITY AND DEVELOPMENT

The Group's ability to make a difference is based on our three core values: Simplicity, Reliability and Development. It symbolizes how we operate and how we wish to be perceived both within the Group and in collaborations. The Stena Metall Group's cultural roots lay in our owners' values. They have always formed part of the company's soul and underpin all Stena Sphere activities.



STENA METALL'S BUSINESS AREAS

The Stena Metal Group works in close collaboration with its customers to create new value, which offers benefits for companies, the environment and society as a whole. The Group recycles end-of-life products and supplies its customers with the raw materials, steel products and marine fuels they require.

RECYCLING

Stena Recycling carries out recycling operations in Sweden, Norway, Denmark, Finland, Germany, Poland and Italy, with a network of over 170 facilities. Material from a number of other countries, including Belgium, Holland, Switzerland, Austria and France, is also collected and recycled. Our cost-effective waste solutions recycle material from almost every part of society. In addition to material recycling, our companies increasingly work on reusing products.

Stena Metal International is the sales company that handles our recycling companies' volumes of ferrous, non-ferrous and stainless steel scrap. From its headquarters in Göteborg, it serves steelworks and metal smelters around the world.

ALUMINIUM

Stena Aluminium is the Nordic region's leading producer of aluminium by recycling, with customers in the aluminium casting industry across northern Europe. The company also offers technical support, training and services in metallurgy, materials and processing. Its operations are conducted in Älmhult, with a sales office in Kolding, Denmark.

STEEL

Stena Stål is a nationwide steel supplier, with production facilities, warehouses and sales offices at 14 locations across Sweden, with one in Moss, Norway. The company offers a wide range of beams, reinforcing bars, sheet, merchant bars, stainless steel and aluminium. It also offers slitting and cutting to length of sheet and strip steel from coils at its Steel Service Center.

COMPONENTS

From its facilities in Nybro and Molkom, Stena Components offers advanced workshop expertise and customized steel components through precision cutting and CNC processing for Nordic industry. In collaboration with its customers, manufacturing processes and services are continually being developed in order to better meet market challenges.

OIL

Stena Oil is Scandinavia's leading supplier of bunker oil, offering full-service marine solutions for vessels in Skagerak, Kattegatt and the North Sea.

TRADING

Stena Metal Inc. trades internationally in scrap metal, pig iron, hot briquetted iron, finished steel products and petroleum coke. Its headquarters are in Southport, Connecticut, USA.

FINANCE

Stena Metall Finans handles the Group's financial activities and internal banking from offices in Göteborg and Zug, Switzerland.

Stena Nordic Recycling
Center in Halmstad.

WE CARE ABOUT RESOURCES

Everything we produce and consume depends on resources – from our houses and cars to the steel and aluminium our society is built on. This is why we care for resources. Whether it's operations or collaborations, global or local, our mission is to create a sustainable future and enable people to care for resources as much as we do.





CHIEF EXECUTIVE OFFICER'S COMMENT

As the Nordic region's leading recycling company, the Stena Metall Group strengthened its market position during the 2017/2018 financial year, primarily through organic growth. We continued our commitment to new recycling solutions and all business areas made positive progress. Earnings before tax amounted to 743.1 MSEK.

The major part of the 2017/2018 financial year was characterized by stable market conditions. Market instability increased during the final quarter of the year due to escalating trade policy measures, which led to price reductions of about 15 per cent for ferrous and non-ferrous scrap. Overall however, market conditions have been good for most of the Stena Metall Group's operations. I am very pleased with how we have continued to strengthen our market positions during the year, thanks to continued improvement work in all parts of the Group. I am particularly pleased with the quality and creativity of our overall business acumen, which created more value-creating business for ourselves, our customers and our other partners.

Stena Recycling shows continued earnings growth. As the Nordic region's leading recycling company, we have gained market shares and continue to invest in new technology, in order to further increase recycling rates. Creating sustainable value for our customers and partners is the core of our business. We are perceiving a growing interest among our major customers and partners to find long-term sustainable and value-creating solutions. Through Stena Resource Management, we carry out focused, collaborative projects that identify new opportunities throughout the value chain. The Design for Recycling service creates dialogue with our customers about increasing the recyclability of their future products.

As a result of increasing collaboration between the Recycling and Electronics Recycling business areas and a development towards a more similar market logic, we decided to integrate Stena Recycling and Stena Technoworld from the start of the current financial year (2018/2019). By doing this, we will increase efficiency and improve what we can offer our customers and partners.

Stena Aluminium's improved performance during the financial year was the result of increases in both sales and a stronger market position.

Stena Stål continues its customer-oriented improvement work, focusing on quality, efficiency and shows satisfying results in line with the previous year. Stena Components has strengthened its market position during the year. However, the result, which was similar to last year's, was disappointing.

In a sometimes challenging bunker market, Stena Oil has further consolidated its position as the leading supplier of quality-assured marine fuel in the Scandinavian market.

During the year, Stena Metall Finans has taken a more cautious view of market developments and reduced risks, which resulted in somewhat lower earnings than the previous year. New cash management

solutions have been developed and introduced into the internal banking process. The work with risk-balancing and acting as a supporting partner to the business areas, contributed to improved business and financial discipline.

During the year, the Stena Metall Group issued its first green bond, which was listed on the Oslo Stock Exchange. The bond is linked to investments in the Stena Nordic Recycling Center. The amount is 800 MSEK with a five-year maturity. The issue provoked widespread interest, especially among investors with investment strategies focused on sustainable activities.

Our large network of branches, in close proximity to our customers, provides an ever-stronger foundation for Stena Recycling's good growth. 170 branches of regional and central production units, linked by efficient logistics, continue to create exciting solutions.

We are very satisfied with the progress of the Stena Nordic Recycling Center (SNRC), which continues to focus on new recycling solutions. The center provides a hub for the industrial recycling infrastructure we have established within the Group and has contributed to significantly increased

recycling rates and improved material quality. A number of supplementary investments have been made during the year, including two new plastic recycling

processes which will commence production during 2018/2019. In close collaboration with universities and technical colleges, we continue our research into future solutions to recycling challenges including projects concerning plastic and lithium-ion battery recycling. Besides its research work, the Group has developed an offer regarding the safe handling of vehicle batteries, enabling reuse and, as a final step, efficient recycling.

At Stena Nordic Recycling Center, we have also created the Stena Recycling Lab, which is a testing arena for new recycling technology and the development of sustainable products. This meeting place for entrepreneurs, researchers, students and companies serves as a catalyst for innovation and development in the field of recycling.

In line with broader developments in society, we are carrying out digitalization work in all of our companies in order to create even greater value. We are developing and optimizing our IT systems and processes, with the aim of increasing the availability of our products and services and providing support for customer improvement work. Digitalization also streamlines our

internal production flows, enhances interactive solutions with our customers and increases the opportunities to create additional value.

I am impressed by the commitment and business acumen shown throughout the Group during the past year. This proves that having the right employees with the right skills is vital to our success and we are continuing to develop training and skill bases in all areas.

Stena Way of Production (SWOP), Stena Way of Branches (SWOB) and Stena Way of Sales (SWOS) are "lean" inspired programs that form an important part of the Group's ongoing improvement work. This methodology is applied throughout the Group and is under constant development. Our commitment to safety is strong and we continue the work towards a safer Stena with full force. It is our assertion that all accidents can be prevented. We also know that safe working environments lead to efficient, high-quality production.

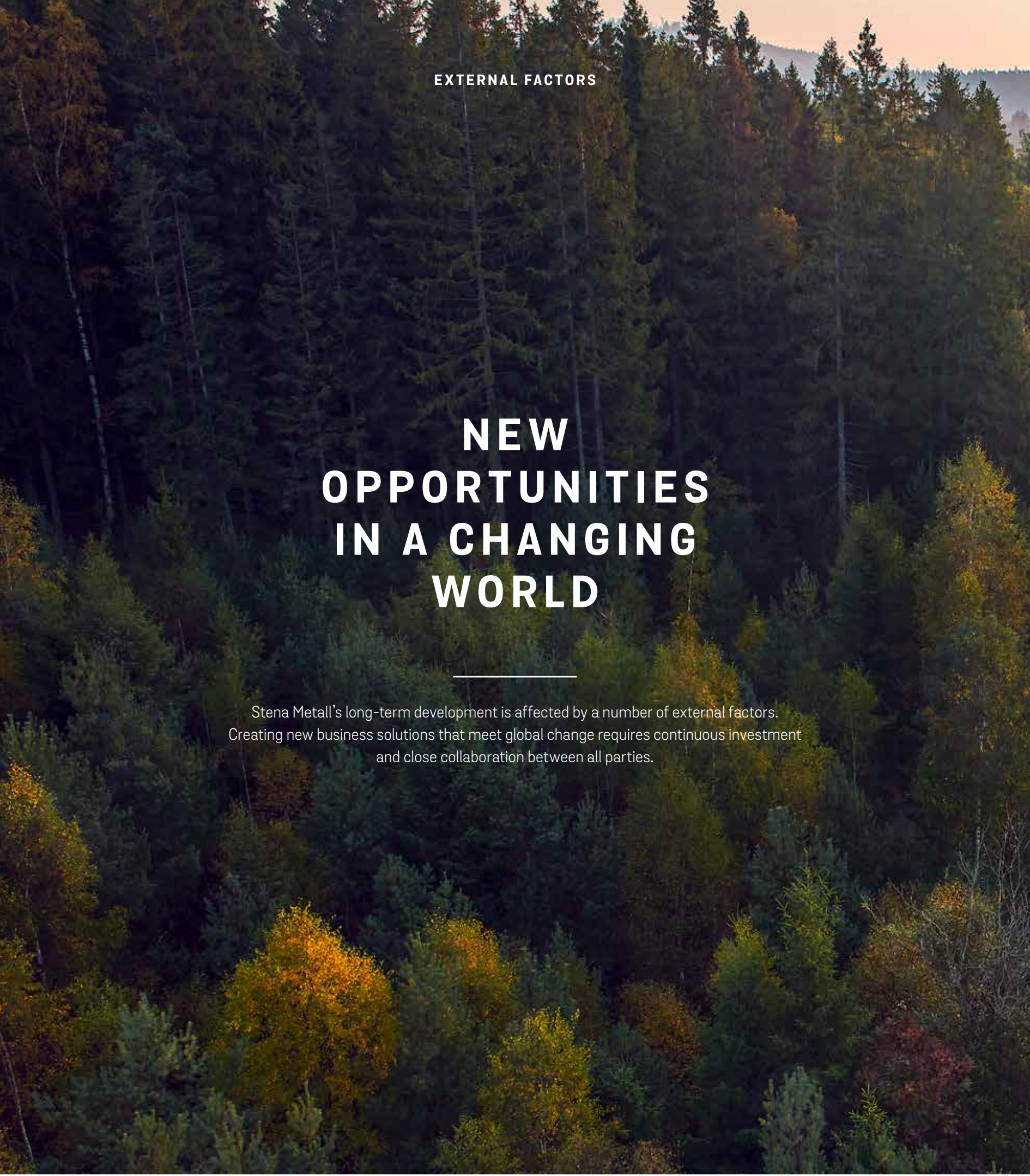
In an unstable world, both the financial and commodity markets have become increasingly uncertain. At present, business conditions are still relatively good, but we are beginning to see signs of a downturn.

Volatile volumes and major price fluctuations are recurring challenges that we have to manage. With continued financial discipline, we will focus on areas that we have the ability to influence - there

is no part of the Group that cannot be improved. However, if market conditions prevail, it will be difficult to maintain the good results of 2017/18.

Anders Jansson
October 2018, Göteborg

WE CONTINUED OUR COMMITMENT TO NEW RECYCLING SOLUTIONS



EXTERNAL FACTORS

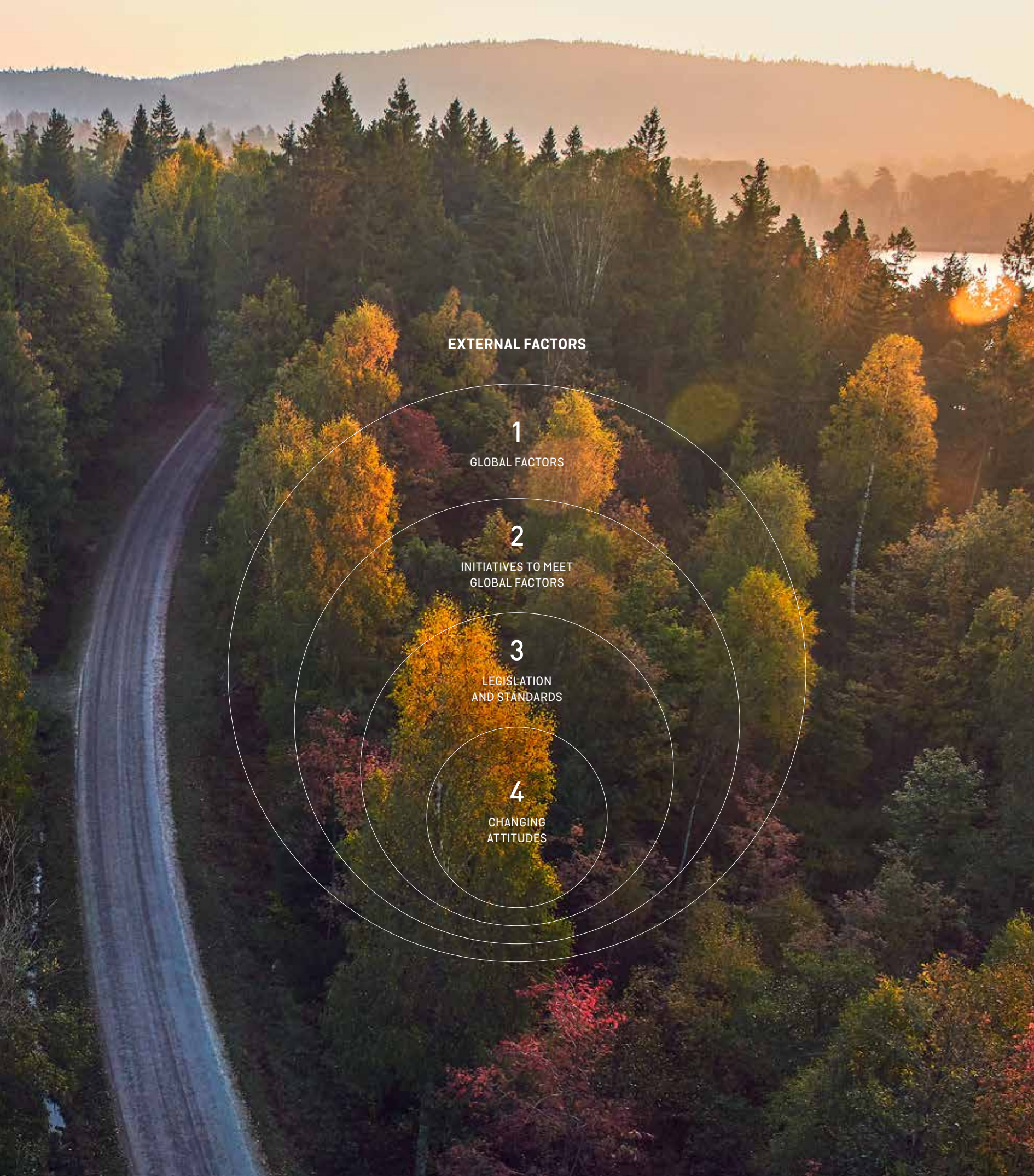
NEW OPPORTUNITIES IN A CHANGING WORLD

Stena Metall's long-term development is affected by a number of external factors. Creating new business solutions that meet global change requires continuous investment and close collaboration between all parties.

Like all businesses, our operations are affected by global and local business conditions. In analyzing these factors, the Group has identified a number of issues that affect its operations and its stakeholders.

GLOBAL FACTORS

- Increased demand for raw materials
- Climate change
- Digitalization and technical development



EXTERNAL FACTORS

1

GLOBAL FACTORS

2

INITIATIVES TO MEET
GLOBAL FACTORS

3

LEGISLATION
AND STANDARDS

4

CHANGING
ATTITUDES

INITIATIVES TO MEET GLOBAL CHALLENGES

- UN Sustainable Development Goals
- 2015 Climate Convention and the Paris Agreement
- Stockholm Convention
- Basel Convention
- Europe 2020 – EU strategy for growth and jobs

LEGISLATION AND STANDARDS

- EU Circular Economy Package
- Rules and environmental requirements for recycling, waste management and exporting waste
- Legal restrictions on the use of chemicals in manufacturing
- Rules concerning manufacturer responsibility
- Local rules and requirements

CHANGING ATTITUDES AMONG COMPANIES AND CONSUMERS

- Increased environmental concern
- Focus on collaborative and innovative solutions
- Awareness of circular economics

STENA METALL CONTINUOUSLY
INVESTS IN RESEARCH, NEW
TECHNOLOGIES AND INNOVATIONS





GLOBAL DEMAND FOR RAW MATERIALS

The flow of goods and services between markets and continents has increased dramatically in recent years. While the demand for raw materials has grown steadily, the markets have been periodically unstable. Changing power structures, for example growth in several Asian countries, also has a significant effect. Recently, global trade has been affected by political uncertainty that has led to the introduction of trade restrictions. In some of the Group's markets, import duties have increased, on steel for example, but it has also led to new business opportunities, as the demand for quality-assured raw materials has grown.

CLIMATE CHANGE

The world faces major challenges in reducing its overall impact on the climate. Utilizing energy and material resources in the most efficient way is of vital importance, as is the development of fossil-free fuel solutions. Increased awareness of the, direct and indirect, effects of resource management on the climate promotes the use of sustainable, well-recycled materials, and the transition to a circular economy. A number of global initiatives, such as the UN Sustainable Development Goals, encourage collaborative efforts to reduce climate impact. Industry must play a prominent role in achieving these objectives. Stena Metall operations increase recycling rates and develop new products and services that contribute to resource-efficient solutions which reduce climate impact.

DIGITALIZATION AND TECHNICAL DEVELOPMENT

Technical development, especially in digital technology, has a major impact on society. Increased transparency, the rapid flow of information, sharing services, and automation change how society produces, consumes and interacts. These developments create opportunities for improvements in sorting technology and efficient material handling. The Stena Metall Group provides cutting-edge digital services for its customers and is digitalizing its internal processes for increased efficiency and quality.

COLLABORATION AND INNOVATION

Changing requirements and new business models that lead toward a circular economy require new working methods, including expanded collaboration and integrated value chains. Research is vital to the development of smart product design, new recycling methods and solutions that raise materials in the waste hierarchy. Stena Metall continually invests in research, new technology and innovations, while its employees' expertise in materials is constantly evolving. The Group also strives to become more involved in its customers' value chains. Offering insight at the design and production stages of customer products, the Group contributes to improvements in the use of materials and other resources. The resource-efficient handling of plastic, for example, can only be solved through expertise, collaboration and innovation.

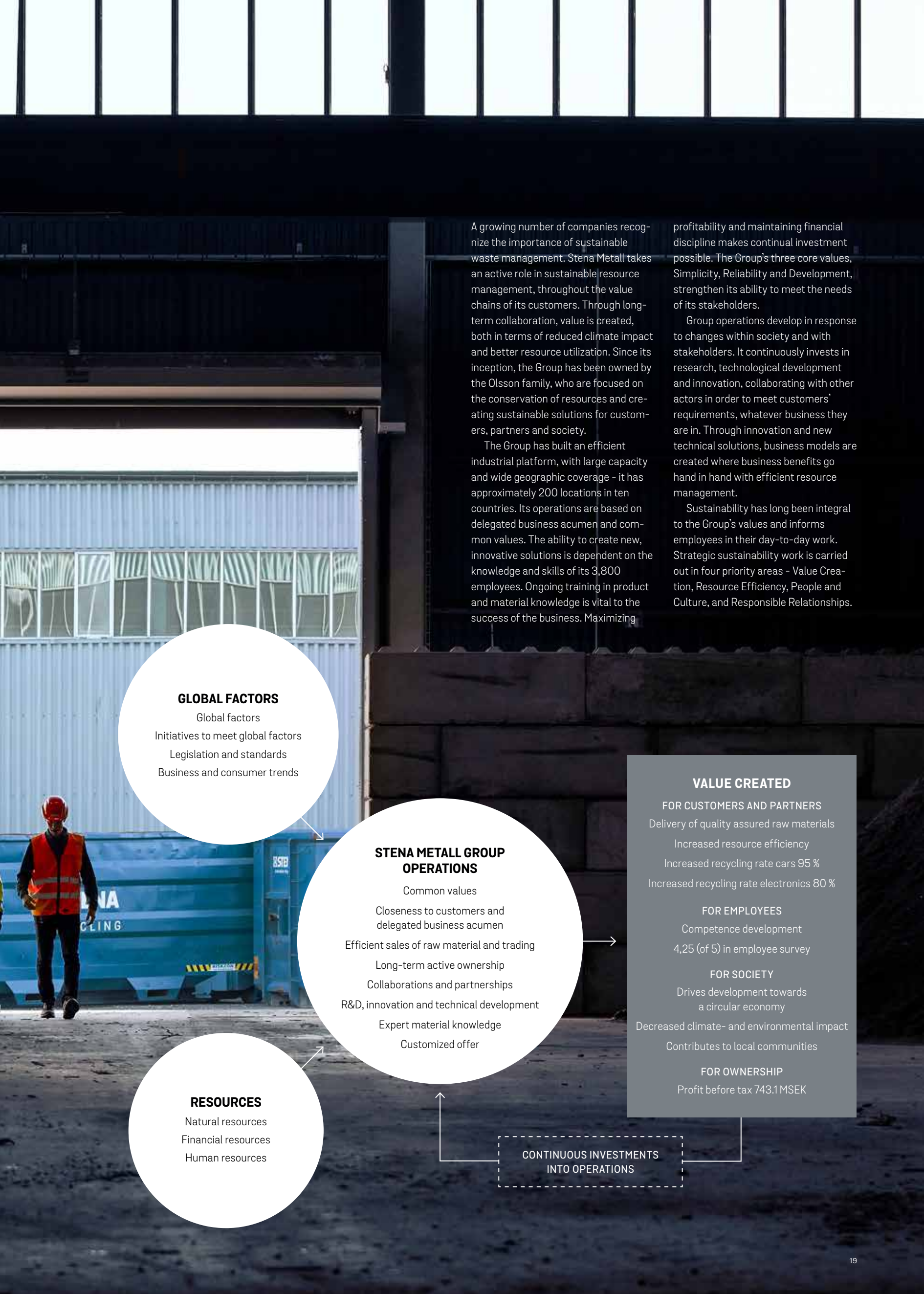
CIRCULAR ECONOMICS

As many of the earth's resources are finite, it is necessary to find environmentally and economically sustainable ways of utilizing them. It is in the economic interest of any company to make best possible use of the resources it has access to. The linear economic growth model has, so far, not been adapted to the needs of a globalized society. In a circular economy, the value of products and materials is maintained for as long as possible. Waste is minimized and the resources can be kept in circulation used again and thus creating more value. With its business operations and competence, Stena Metall plays an important role in the transition to a circular economy.

A full-page background image of an industrial facility. In the foreground, a worker wearing a bright yellow high-visibility safety suit and a red hard hat is walking towards the camera. The worker is positioned on the right side of the frame. The background shows a large industrial building with a corrugated metal facade and a series of windows. The lighting is bright, suggesting an outdoor or well-lit indoor environment. The overall scene conveys a sense of industrial activity and safety.

A LONG TRADITION OF EFFICIENT RESOURCE MANAGEMENT

In collaboration with customers and partners, the Group offers sustainable products and services that create value for its customers, its owners, the environment and society as a whole. Since its foundation in 1939, the Stena Metall Group has sought to utilize and conserve resources that may have otherwise been lost.



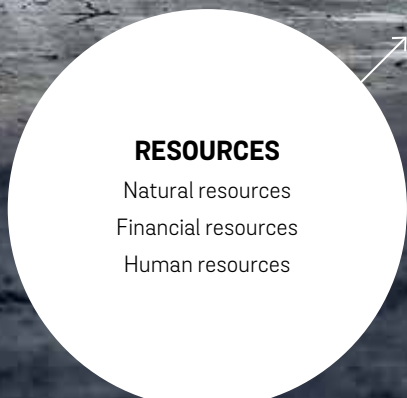
A growing number of companies recognize the importance of sustainable waste management. Stena Metall takes an active role in sustainable resource management, throughout the value chains of its customers. Through long-term collaboration, value is created, both in terms of reduced climate impact and better resource utilization. Since its inception, the Group has been owned by the Olsson family, who are focused on the conservation of resources and creating sustainable solutions for customers, partners and society.

The Group has built an efficient industrial platform, with large capacity and wide geographic coverage - it has approximately 200 locations in ten countries. Its operations are based on delegated business acumen and common values. The ability to create new, innovative solutions is dependent on the knowledge and skills of its 3,800 employees. Ongoing training in product and material knowledge is vital to the success of the business. Maximizing

profitability and maintaining financial discipline makes continual investment possible. The Group's three core values, Simplicity, Reliability and Development, strengthen its ability to meet the needs of its stakeholders.

Group operations develop in response to changes within society and with stakeholders. It continuously invests in research, technological development and innovation, collaborating with other actors in order to meet customers' requirements, whatever business they are in. Through innovation and new technical solutions, business models are created where business benefits go hand in hand with efficient resource management.

Sustainability has long been integral to the Group's values and informs employees in their day-to-day work. Strategic sustainability work is carried out in four priority areas - Value Creation, Resource Efficiency, People and Culture, and Responsible Relationships.





AN ACTIVE ROLE IN THE DEVELOPMENT OF A CIRCULAR ECONOMY

The shift from traditional, linear value chains to a circular value cycle requires changes in consumption patterns and sustainable resource utilization. In a circular economy, materials and products are designed to maximize their recyclability, so that the resources they contain can be returned into circulation. The Stena Metall Group works actively to promote this by collaborating in research and technological development, engaging in dialogue to reduce legal barriers and creating sustainability benefits for business.

The Group's recycling operations play a central role in the circular economy – large quantities of waste are collected, refined and supplied to industry in the form

of new recycled raw materials, resulting in climate benefits. It also offers services that improve resource utilization in manufacturing and design. Its business models fulfill key functions in circular value cycles by offering products, alloys and high-quality materials, which can be recycled repeatedly. The Group also helps to secure material supply chains by supplying marine fuel, while developing environmentally sound alternatives.

The model shows products and services offered by the Stena Metall Group and the value they create together with customers, business partners and other stakeholders.

By increasing its profitability, the Group can expand its investment in the development of solutions for better resource utilization and reduced climate impact.



RAW MATERIALS (New and recycled)

Sales of recycled raw materials, aluminium alloys, iron, steel and marine fuel. **Business areas:** Recycling, Aluminium, Trading, Oil.

DESIGN SERVICES

Design for recycling, raising recycling and reuse rates, as well as consultation on the selection of metals that maintain strength and reduce product weight. **Business areas:** Recycling, Aluminium.

RESOURCE MANAGEMENT

Services that review customer operations, such as waste minimization, internal logistics and optimization of material resources. **Business area:** Recycling

TRANSPORT / LOGISTICS

Delivery of recycled raw materials, steel products, ferrous and steel raw materials, aluminium and marine fuel. Slops and sludge service. **Business Areas:** Recycling, Steel, Components, Trading, Aluminium, Oil.

STORAGE OF MATERIALS AND FUEL

Storage of steel products, ferrous raw materials, marine fuel and fuel from recycled raw material. **Business Areas:** Trading, Steel, Oil, Recycling.

REUSE

Reuse of electrical waste and material from major demolition projects. **Business Areas:** Recycling

COLLECTION

Collection of waste from customers and business partners. **Business Areas Covered:** Recycling, Oil.

REFINING RESOURCES

Refining waste and materials at recycling and production facilities. **Business Areas Covered:** Recycling, Aluminium, Steel, Components.

ENERGY RECOVERY

Processing waste into fuel fractions for biogas and heating facilities, as well as other industrial applications. Heat recovery for district heating networks. **Business Areas Covered:** Recycling, Aluminium.

DECONTAMINATION AND SAFE STORAGE

Removing hazardous substances and materials that, for health and environmental reasons, should not be returned into circulation. **Business Areas:** Recycling.

MOVEMENT INCREASES VALUE

The waste hierarchy grades different ways of managing and minimizing waste. Moving materials upwards in this model creates economic and environmental benefits. Improvements in equipment and sorting,

as well as changing attitudes to waste management, reduce costs and increase revenue and environmental benefits, resulting in more sustainable business.

WASTE MINIMIZATION

- Resource management services - design for recycling and waste optimization

REUSE

- Components from electronic waste, such as monitors, hard disks, memory cards and processors
- Converting waste into products, for example oil (ERC 14), Repur and supplying the steel industry with salt slag byproducts

MATERIAL RECYCLING

- Recycling ferrous and non-ferrous metals, paper and plastic
- Pyrolysis

BIOPROCESSING

- Composting
- Rotting

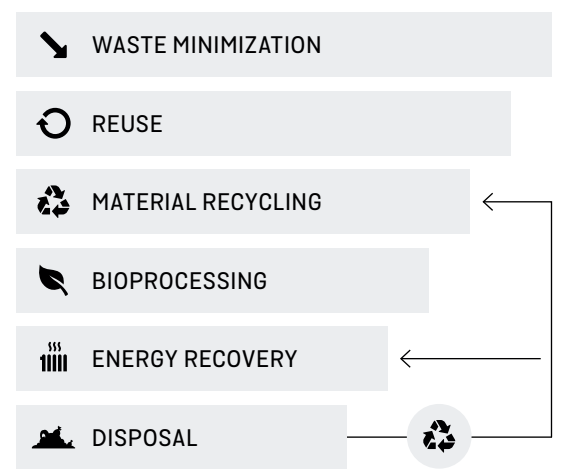
ENERGY RECOVERY

- Incineration for electricity generation and district heating
- Gasification extracting gases

DISPOSAL

- Depositing waste at landfill sites

THE WASTE HIERARCHY



LANDFILL RECYCLING

Metals and plastics from landfill can be recycled and combustible fractions used for energy recovery



A DRIVING FORCE IN CIRCULAR ECONOMICS

Stena Recycling offers customized services and comprehensive solutions in recycling and efficient resource management. At 170 facilities, the company creates value for its customers and society as a whole and contributes to the increased recycling and reuse of materials and products.

Plastic pellets from the plastic recycling plant at the Stena Nordic Recycling Center. The pellets are used as raw material in the manufacture of new products and reduces the need to use fossil materials.

STENA RECYCLING



Stena Recycling collects materials and products from over 100,000 customers in many different industries. It recycles material such as ferrous and non-ferrous metals, electronics, plastic, paper and mixed waste from a wide variety of waste types. Most of this is transported to one of its 170 recycling facilities, located in seven countries, where as much useful material is extracted as possible. What cannot be recycled or reused, such as hazardous waste, is safely decontaminated. The recycled raw materials are then sold to steelworks, paper mills and other customers for use in the manufacture of new products.

Stena Recycling takes an active role in the transition to a circular economy. By educating customers and employees in resource management and material knowledge, the company contributes to increasing levels of recycling and reuse. It also helps its customers reduce their waste volumes.

Stena Resource Management offers analysis of customers' production environments and processes, in order to find improvements that release hidden value. In collaboration with customers, improvements can be made across the whole chain, which help reduce material handling costs. Optimizing material selection, design for recycling, sorting and transportation can free-up untapped resources and production space. The Design for Recycling service helps to ensure that customers' future products maximize their recycling potential.

The offering also includes related services such as internal logistics, training, statistical analysis and safety consulting. Stena Recycling's customer portal allows customers to receive detailed statistics on their environmental impact, among other features.

INVESTMENTS IN NEW TECHNOLOGY AND RESEARCH

Stena Recycling carries out a range of research projects in collaboration with universities and technical colleges. The company finances a professorship in industrial recycling at Chalmers University of Technology, where research is conducted into recycling lithium-ion batteries and plastic from electronic products, amongst other projects.

The Stena Nordic Recycling Center in Halmstad, is one of Europe's most modern recycling facilities, and forms the hub of the Group's industrial recycling infrastructure. It represents a major step forward in efficient resource management and offers significant benefits to customers and the environment. The facility has led to an overall reduction in waste and the amount of material sent to landfill sites. It has increased material recycling and produces recycled raw materials of high, consistent quality. During the year, investments have been made to further develop plastic recycling at the facility, among other things.

A TOTAL SERVICE FOR CUSTOMERS

The recycling business has developed well during the year, and continues to grow in line with customers' needs. Electronics Recycling was integrated with Business Area Recycling on September 1, 2018, which offers customers a broader and clearer range of products and services.

Developments in Europe have been positive during the year, and the company has grown in all its markets. Elsewhere, some instability remains, in import duties and related restrictions, among other things. China has introduced further restrictions on the import of various

waste types, requiring purer materials than before. This is beneficial to Stena Recycling, as it is a leading producer of pure raw materials of the correct quality.

SIGNIFICANT GROWTH POTENTIAL

There is still major potential for growth in electronics recycling, as a large proportion of all electronic products sold are not recycled under regulated conditions. Together with manufacturers and other operators in Europe, Stena Recycling is working to ensure that end-of-life electronic products enter the right waste streams. Increasing the proportion of reuse is also a significant priority. Stena Recycling is at the forefront of these efforts and has the infrastructure in place to reuse LCD displays, processors and batteries. Through an agreement with an external party, all data is removed from these products in a secure way.

FOCUS ON PLASTICS

The European Commission has presented a new strategy that may change how plastic products are designed, manufactured, utilized and recycled within the EU. Improvements in design and recycling methods will increase the use of recycled plastic in new products and lead to an expansion of this market. Different types of plastic have unique properties and, therefore, cannot be recycled together. The company is investing in the development of new recycling processes at the Stena Nordic Recycling Center, in order to increase the range of plastics that can be effectively recycled.

Read more at [stenarecycling.com](https://www.stenarecycling.com)

STENA RECYCLING

SWEDEN

Steadily growing interest in recycling from our customers and customers' customers is helping the development of operations. In recent years, for example, demand for services related to plastics recycling has increased significantly. The Stena Nordic Recycling Center is the hub for Swedish operations, as well as receiving waste from other Stena Recycling markets. During the year, further investments have been made, including the precious metal recycling unit.

The company aims to continuously improve its recycling processes and produce purer raw materials. One example is in separating non-ferrous metals, where the material is so pure that it can be used directly in the manufacture of new products.

In June 2018, a new facility was opened in Malmö's North port. This investment provides the opportunity to concentrate recycling at a centralized facility. The deep port and good access to the rail network also enables environmentally efficient transportation.

A new agreement with Swedavia was concluded during the year. The deal includes Arlanda and Bromma airports and is a comprehensive solution involving all types of materials.



NORWAY

As one of few operators in the Nordic region, Norwegian operations specialize in recycling products and services for the offshore industry, and working to increase the rate of reuse in industrial demolition projects.

During the year, Stena Recycling has signed several new contracts with major customers, including Oslo Airport. The company has also entered into a collaboration for the rail freight of containers from West Norway to the Halmstad facility. End-of-life refrigerators are now shipped in containers that were previously transported empty.

The company is also the first in the world to use 50-tonne electric trucks for larger customers in the Oslo region, enabling fixed return routes for cargo.



DENMARK

Stena Recycling in Denmark has focused on continuing to strengthen its operations during the year, which has resulted in improved processes and working methods. The company has continued to train its employees, and has now built up a sound skill platform in order to offer improved services in resource optimization.

As in many other markets, the issue of plastic recycling has attracted much attention in Denmark. Stena Recycling in Denmark was one of 21 selected businesses within Danish industry which participated in projects linked to the UN's global sustainability targets. In the picture is Ulf Arnesson, Country Manager. Stena Recycling has been actively involved in the Forum for Circular Packaging Plastics and provided specific recommendations for government strategy, as well as a design manual for plastics used in industry.

In the field of electronics recycling, the Danish operation has concluded an agreement with a manufacturing organization and is now a strong player in both electronics and refrigerator recycling.



POLAND

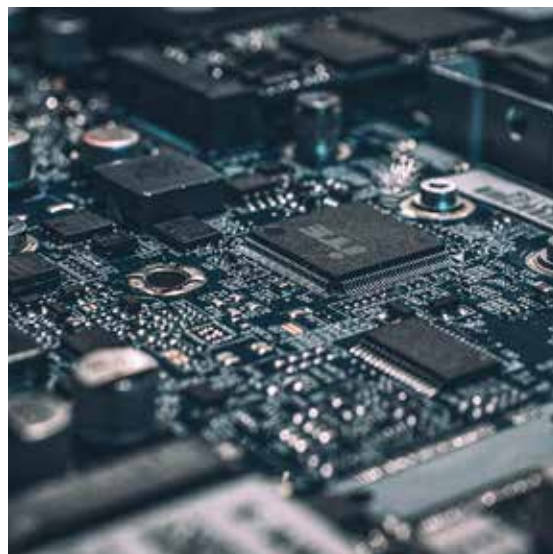
Stena Recycling Poland has seen increased customer interest in safe, correct waste handling throughout the year. Demand has increased overall, especially for more complex services in recycling and waste management. The company is actively working to move customers' material up the waste hierarchy and, therefore, create additional value.

The company is also investing, in order to expand its electronics recycling services and building a new precious metal recycling facility. Machinery brought in from Sweden is to be complemented with new equipment, which will increase capacity overall. A process for reusing LCD monitors has also been initiated.

ITALY

Development has been positive during the year, with the company strengthening its position and increasing volumes. This was partly due to an acquisition the company made in the Bologna area, which increases market presence in Northern Italy, primarily in terms of electronic recycling.

The precious metal recycling facility has progressed well during the year and the company has purchased material for recycling and processing, from others companies.



FINLAND

Recycling operations in Finland have continued to grow during the year. Through concerted efforts to achieve a more structured approach, both market share and results have increased. A number of new customers have also been attracted. Overall, the recycling market has continued to grow in line with Finnish industry, while there is great potential for further increases in recovery rates.

In the picture is Anna-Karoliina Kauppi, Account Manager at Stena Recycling in Finland, on a customer visit to Finnish railway company VR Group. Stena Recycling help VR to achieve its environmental targets by maximizing the recycling rate of waste metals.



GERMANY


During the year, operations have primarily focused on ensuring stable production. In addition, the company has invested in a new recycling system for refrigeration devices.

A number of new electronics recycling contracts have also been signed with Belgian companies. We collaborate with refrigerator manufacturers at the design phase of their products, contributing our knowledge of materials and recycling, in order to ensure that as much as possible can be recycled and reused.

CLOSE COLLABORATION LEADS TO CONTINUED GROWTH

Stena Aluminium is the Nordic region's leading manufacturer of aluminium from recycled raw material. In close cooperation with customers, the company offers high-quality aluminium alloys produced by environmentally sound and efficient methods.





The aluminium that Stena Aluminium produces is 100 per cent based on recycled raw material, with most of its products used for casting components in the automotive industry. The major advantage of aluminium is that it can be infinitely recycled without any loss in quality. Recycling aluminium also consumes significantly less energy than producing it from virgin sources. This, along with its sustainability, contributes to the circular economy – around 75 per cent of all the aluminium ever produced is still in circulation.

Demand for recycled aluminium is still very strong, mainly due to intense competition in the European automotive industry. The aluminium content of cars has gradually increased as manufacturers seek to reduce weight, in order to improve energy consumption and lower emissions.

COLLABORATION IS THE BASIS FOR DEVELOPMENT

Close cooperation with its customers is fundamental to Stena Aluminium. Value is created, for all parties, by maintaining precision in both delivery and grade quality, as well as constantly developing what it can offer its customers.

In order to develop and expand operations, the company has applied for permission to receive other types of waste resulting from virgin aluminium production, leading to increased recycling.

NEW ENVIRONMENTAL LOGISTICS SOLUTION

When recycled aluminium is smelted a by-product is generated, called salt slag, consisting of salt and aluminium oxide.

In collaboration with one of our partners, the salt content can now be recycled for reuse and the aluminium oxide used as raw material in other industrial processes, such as cement manufacturing.

The salt slag recycling is carried out at a facility in Germany and was previously transported by road. During the last year, the company has developed a logistics solution that means the salt slag and salt is transported, to and from the facility, by rail, which represents a reduction in carbon dioxide emissions of approximately 70 per cent.

Through more efficient use of raw materials, the process reduces the total amount of salt used, resulting in less unnecessary recycling. In 2013, the company reduced the amount salt slag, per tonne of aluminium produced, by 29%.

LIQUID ALUMINIUM REDUCES EMISSIONS

While most of its products are delivered as ingots, Stena Aluminium also offers delivery of liquid aluminium for immediate use in its customers' foundries. In addition to the economic benefits, this reduces energy consumption and carbon dioxide emissions. In total, liquid aluminium deliveries have exceeded 2,630, leading to a reduction in carbon dioxide emissions of 5,260 tonnes over the past ten years.

Read more at stenaaluminium.com



DIGITAL CHANNELS DEVELOP THE BUSINESS

Stena Stål is a nationwide steel supplier, offering a wide range of products, including beams, reinforcing bars, sheet, merchant bars, stainless steel, aluminium and special steel.



The company has production facilities, warehouses and sales offices at 14 locations across Sweden, with one in Moss, Norway. Value is created for its customers and its customers' customers through an in-depth understanding of their products and processes, combined with extensive material knowledge and a wide range of products. By offering logistics that always provide the right service, customers can focus on production and their core business.

The market has developed positively over the year, with strong demand and price increases, partly as a result of good European business conditions. Operations at Stena Stål have also developed well. Work has been undertaken to increase its own supply. This has led to further strategic collaborations in logistics and warehousing, including those with Danish and German wholesalers. This has further expanded the range of what the company can offer.

MAKING MORE POSSIBLE FOR CUSTOMERS

Stena Stål collaborates with leading steel producers in order to maintain the high quality and competitiveness of its products. Through close cooperation with international partners, customers are offered a wider range of products and reliable delivery. During the year, collaborations were developed with several Steel Service Center partners, which expanded the range for customers seeking sheet and strip steel. As a result of this, a strategic decision was taken to close down the production facility in Storfors.

The company's e-commerce solutions continued to develop during the year, with more customers using the platform. A major advantage for customers is that they can view Stena Stål's entire range and have direct access to the products of the company's European collaborative partners.

TOWARDS SUSTAINABLE PURCHASING

Stena Stål aims to promote sustainable purchasing by encouraging its customers to, for example, optimize transportation or place larger single orders instead of multiple smaller ones.

See more about Stena Stål's work in this area at:

**stenastal.se
stenastal.se/norge**



AUTOMATION BENEFITS CUSTOMERS

Stena Components manufactures high-end steel components for use in the manufacture of vehicles, machinery, and heat exchangers, among other products. The fully-equipped machine park handles advanced, customized processing and offers high delivery reliability and short lead times.

The market for Stena Component's products has progressed well during the year, with continued high demand. Sales are primarily made to Swedish and other customers in the Nordic countries, which in turn depend on the export market.

This business area is relatively new to the Group, and over the year, the focus has remained on development work. Among other things, the company aims to harmonize the operations in Nybro and Molkom, in order to better utilize common capacity and thus improve service for customers.

STRUCTURING PROCESSES TO INCREASE EFFICIENCY

Stena Way of Production, the Group's lean program, provides the foundation for improvement work and contributes to a more structured approach. The focus on

processes aims to streamline both sales and production. Success in the industry requires continuous improvements that meet customer demand for efficiency, quality and short lead times.

One feature of the development work is to create additional value for customers by investment in new technology. During the year, Stena Components continued its automation work, which among other things, allows for the manufacturing of large series. By increasing the degree of automation in manufacturing, resources are freed up and can be used for more complex tasks.

CUSTOMIZED ORDER FOR DEMOLITION PROJECT

During the year, Stena Components received a large order in connection with the demolition of the O1 and O2 nuclear reactors at the Oskarshamn nuclear power station. Specially-designed containers, with extremely thick walls, are being manufactured for the containment of radioactive demolition material.

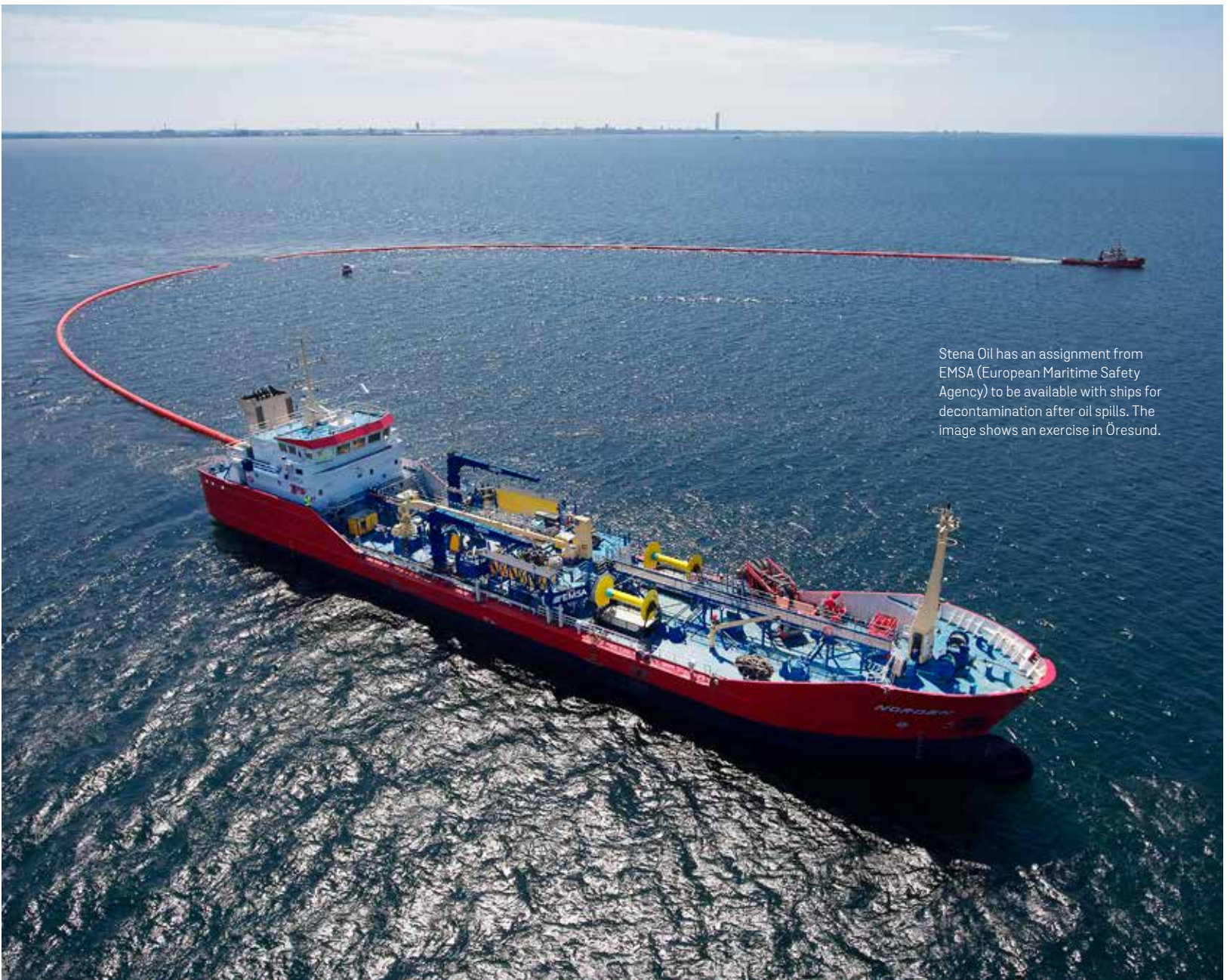
As each container weighs 20 tonnes, about as much as a train engine, specific expertise and equipment is required for the handling and machining of very large heavy gauge plate. The agreement means that Stena Components will supply processed components for approximately 60 of these specially-built containers.

Read more at stenacomponents.se



CONTINUED EXPANSION LEADS TO INCREASED VOLUMES

Stena Oil supplies bunker oil and full-service marine solutions for ships in the Nordic region. Thanks to large volumes and a fleet tailored to its customers needs, the company offers low freight and handling costs, combined with a high level of flexibility.



Stena Oil has an assignment from EMSA (European Maritime Safety Agency) to be available with ships for decontamination after oil spills. The image shows an exercise in Öresund.

The year saw challenging market conditions, with high-level competition and pressure on margins. Despite this, Stena Oil has increased its volumes, mainly due to continued expansion in southern Sweden, where the company now supplies bunker oil to the majority of ferries in southern Sweden and Gotland.

Oil and shipping companies are facing major changes as a result of the International Sulfur Directive, which will come into effect in 2020. The directive will reduce the permissible sulfur content in marine fuel from 3.5 to 0.5 percent. Major investment will be needed, including conversion work to vessels and the development of new fuel types. Stena Oil is collaborating with several oil companies and driving the development of a new fuel that will meet these requirements.

AGREEMENT SIGNED WITH PORT OF FREDERIKSHAVN

During the year, Stena Oil signed an agreement with the Port of Frederikshavn for a new marine fuel terminal, fully adapted to the requirements of the sulfur directive. This will be the largest of its kind in Scandinavia, with a capacity of 75,000 cubic meters. The terminal will significantly increase efficiency, leading to greater flexibility and speed when delivering fuel to Skagerak and Kattegatt. The new

location will shorten the travelling distances for bunkering, reducing fuel consumption and emissions.

The new terminal will also provide a base for Stena Oil's work with the EMSA (European Maritime Safety Agency) in the rapid deployment of specially adapted vessels and equipment in the event of oil spills. Frederikshavn is an optimum location for providing this service in Scandinavian waters, especially the heavily trafficked waters of Skagerrak.

STRENGTHENING THE FLEET

In order to meet the requirements of the new sulfur directive, Stena Oil has during the year secured capacity in the form of a new vessel, which will be delivered in 2019. The new vessel is designed to increase flexibility and safety, as well as reducing environmental impact. As it is significantly larger than existing ships, it will visit the port less often and offer a higher level of service.

Read more at stenaoil.com





CONTINUED DEVELOPMENT OF RELATIONSHIPS

Stena Metal Inc. saw continued growth in both sales and profitability during the year, despite some turbulence due to political factors in the world. The company added a handful of new key customers and continued to develop existing long-term relationships.

Stena Metal Inc. is Stena Metall's international trading company primarily offering scrap metal, pig iron, and semi-finished steel products. With headquarters in Southport, Connecticut, USA, the company serves the USA, Europe, Latin America and Asia, with Southeast Asia and the USA as the most important markets.

The main business consists of sales of pig iron, mainly from suppliers in Brazil and scrap metal from Stena Metall's Scandinavian companies. The focus is on close and long-term partnerships that create business opportunities.

Stena Metal Inc. facilitates direct contact between suppliers and customers, with the aim to provide services beneficial to both. The company helps its producers find and negotiate with customers, and assists in providing logistical support, transport, and financing of their products. In recent years, the company has moved away from traditional trading methods and predominantly works on an "open book" basis. This strategic decision has resulted in stronger ties with its business partners.

The development on all markets was relatively stable during the year, with some volatility related to political factors such as trade policies in some markets. Stena Metal Inc. grew both in sales and profitability during the year and added a handful of key new clients. Still, a relatively small number of customers and suppliers account for the majority of its business, built on long-term relationships.



THE WORLD'S FIRST CIRCULAR GREEN BOND

Stena Metall Finans acts as the Group's internal bank and carries out investments in financial assets. The internal bank continuously works to develop stable and efficient ways of managing the Group's cash flow and financial risks.





The Oslo Stock Exchange was opened by Stena Metall with the ringing of the clock on 3rd September in connection with Stena Metalls green bond being listed. The image shows Jonas Höglund, CFO, Stena Metall (left) together with Jessika Lind Petrén, Sustainability & Public Affairs and Peter Gustafsson, CEO, Stena Metall Finance.

The Group's external financing is conducted through the bond market and banking system. During the year, the Stena Metall Group issued its first green bonds, to the amount of 800 million SEK, with a term of five years. The sum has been earmarked to fund the Stena Nordic Recycling Center. New technology is being continuously introduced in response to rapid developments within the industry. It also serves to meet customer demand for increased recycling rates and reductions in the amount of material sent for landfill.*

Compliance with The Green Bond Principles has been reviewed by an independent analysis institute and received a "Dark Green" rating – the highest possible ranking for projects and solutions that live up to the long-term vision of a future with low carbon emissions and reduced climate impact.

CURRENCY RISK MANAGEMENT

The Stena Metall Group always aims to finance its operations in the right currency. Trade receivables and trade payables are hedged continuously through currency future contracts, and the highest possible balance is always sought between assets and liabilities, as well as between revenue and expenses in foreign currencies.

INVESTMENTS

The financial portfolio consists of four individual parts. The base portfolio – predominantly companies with relatively stable earning capacity and low sensitivity to business cycle changes. Non-correlated assets – hedge funds with different strategies and no or very low correlation to the stock market. Private Equity – holdings in various PE funds. These funds have different orientation and are exposed to different geographic markets. Trading – primarily opportunistic trading, as well as certain holdings that cannot be categorized into any of the other three portfolios.

RESPONSIBILITY FOR FINANCIAL OPERATIONS

The responsibilities of Stena Metall Finans include:

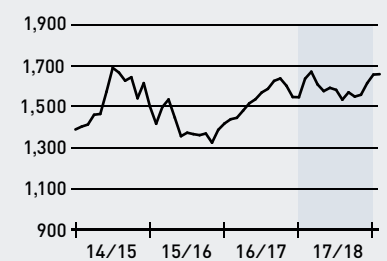
- Responsibility for the Group's cash management
- Contributing to short and long-term Group earnings by efficiently managing the Group's liquid assets
- Monitoring financial markets
- Monitoring risk levels in the Group's customer credits and managing the credit portfolio
- Ensuring the Group's access to long-term financing, in order to maintain liquidity
- Following developments in the capital markets, in order to optimize the Group's financing through bonds and bank financing

Read more at stenametall.se/investor-relations

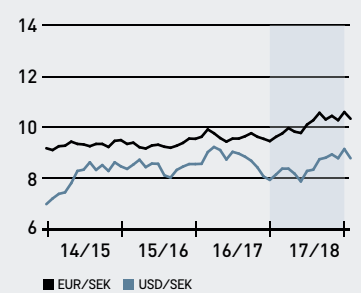
MORGAN STANLEY WORLD INDEX, USD*



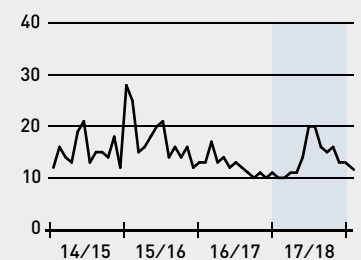
STOCKHOLM STOCK EXCHANGE'S OMXS30 INDEX*



EXCHANGE RATES*



VIX, VOLATILITY INDEX*



*All graphs on this page refer to prices during the period September 1, 2014 through September 21, 2018. All graphs refer to monthly figures. Sources: MBR and Stena Metall

*For more information on the Green bond. Stena Metall Green Bond Framework: stenametall.com/siteassets/investor-relations/green-bond/green-bond-framework-final.pdf Second Opinion: stenametall.com/siteassets/investor-relations/green-bond/second-opinion-final.pdf Green Bond Report 17/18: stenametall.se/siteassets/investor-relations/green-bond/green-bond-report-2017-2018.pdf

SUSTAINABILITY AS A CORE BUSINESS

VALUE CREATION

Stena Metall achieves profitability by investing in business development and research, which expands the Group's products and services. It does this in order to create value for its owners, customers, partners, and society as a whole, as well as to promote development towards a circular economy.

RESOURCE EFFICIENCY

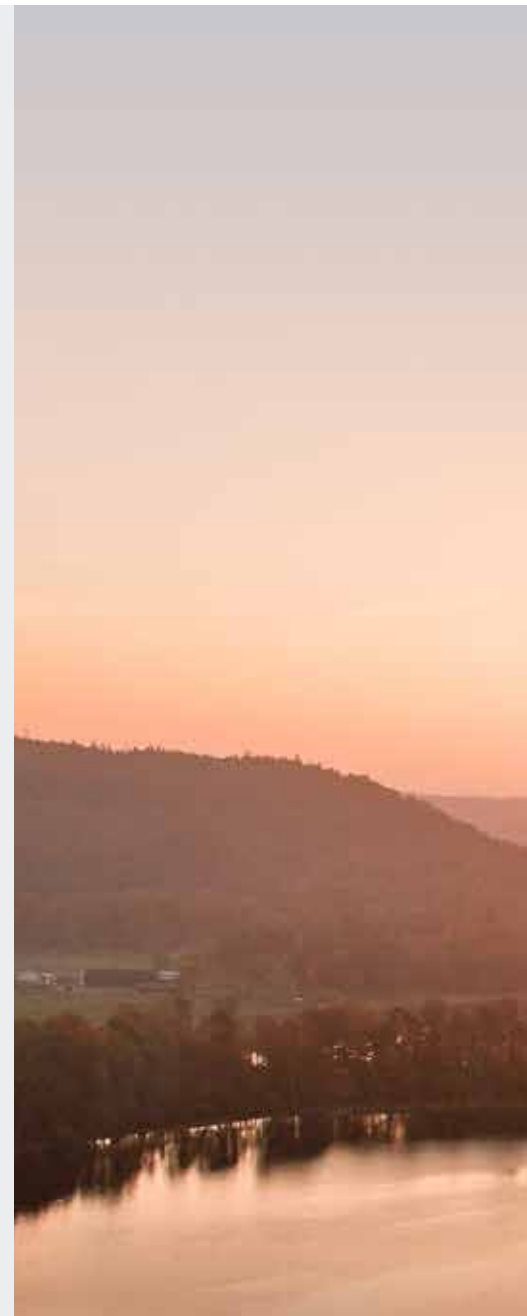
The Group's processes and operations should be energy and resource-efficient and continuously reduce its environmental impact.

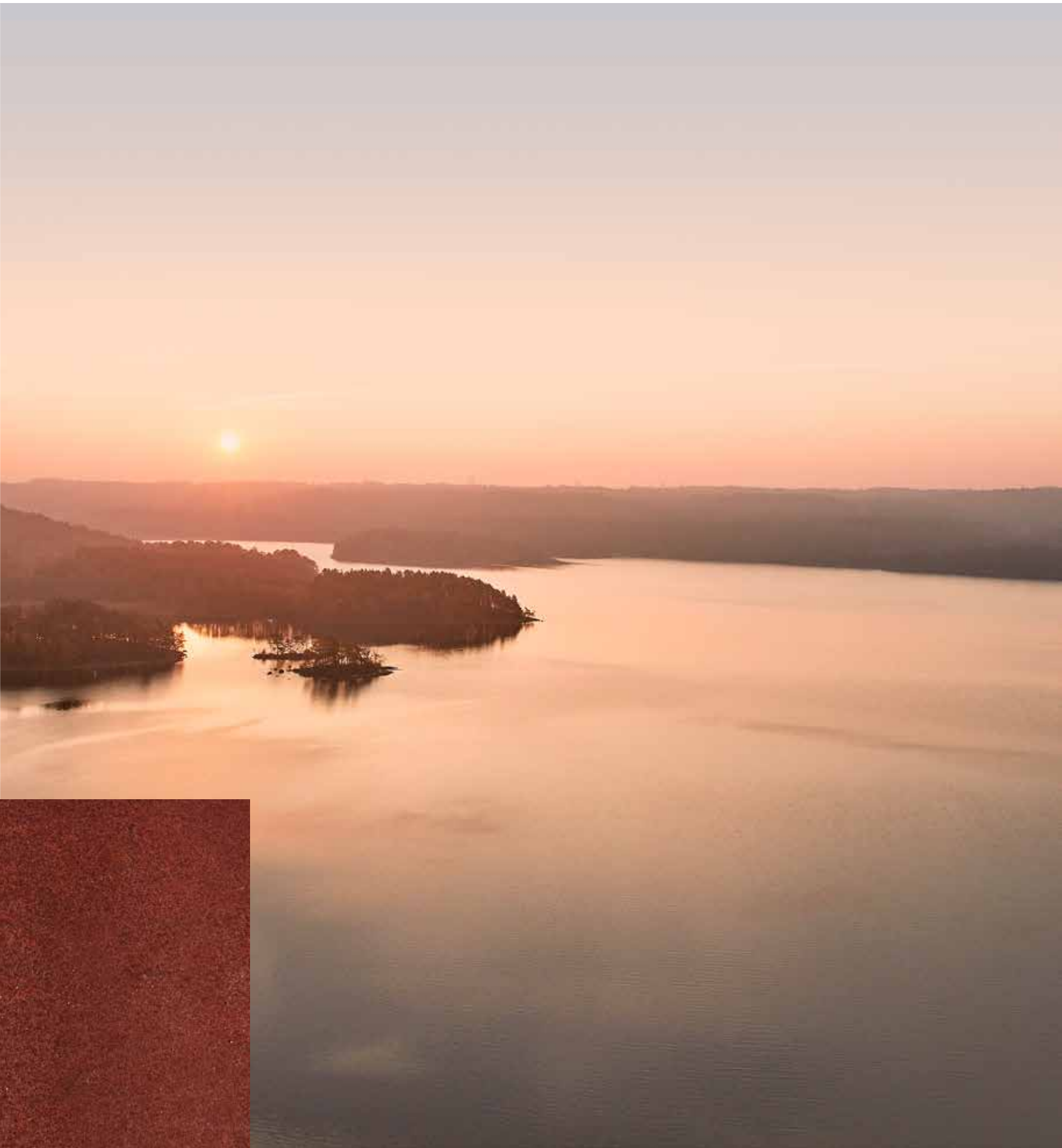
EMPLOYEES AND CULTURE

The Group's working environments should be safe, secure, healthy and inclusive. Employees should receive support in order to become proud, committed members of the organization, based on Stena's values, business principles and common goals, and have knowledge and skills that aid their development.

RESPONSIBLE RELATIONSHIPS

Stena Metall will pursue and contribute to responsible business practices, based on its Code of Conduct, and maintain continuous dialogue with its stakeholders concerning efforts that promote sustainable development.





**STRUCTURED WORK
TOWARDS GLOBAL GOALS**

For each of the above areas ambitions are set and a strategic approach is taken to continued development and improvement work. Each company is responsible for transforming these ambitions into specific measures and actions. During the financial year, work continued to map Stena Metall's sustainability work

with the UN's Global Sustainable Development Goals. The goals where the Group is deemed to have the greatest impact have been identified. Work continues to determine specific activities that can contribute in the work to achieve these goals.



THE GLOBAL GOALS
For Sustainable Development



VALUE CREATION

By investing in business development and research, in order to expand the Group's products and services, the Stena Metall Group creates value for its owners, customers, partners, and society as a whole. The Group's research and development work delivers solutions towards a circular economy.



SKF and Stena Recycling have a long established partnership in sustainability. Stena Recycling helps the world-leading ball-bearing manufacturer SKF to reach its stringent sustainability goals through effective recycling. The picture shows Elisabeth Stadler, Environment Manager SKF Sweden with Malin Baltzar, Head of Sustainability, Stena Recycling Sverige. Watch the Re-made in Sweden film about this successful co-operation - stenarecycling.se/campaigns/remade/

Recycling plays an important role in the development towards a circular economy. Significant value can be created throughout the entire material chain, including product design, recycling and supplying raw materials for industry. For the Group's recycling companies, the goal is to find the most resource efficient and value-creating ways to take care of customers' end-of-life products and increase the proportion of materials that can be used as new raw materials. For customers, it increases both environmental benefits and profitability.

Stena Metall's recycling companies seek to collaborate even earlier in its customers' value chains. In this way, waste management can be optimized and previously hidden value released. This approach leads to better working environments, time and space savings, waste minimization, transport optimization and increased waste value. The Design for Recycling service offers dismantling analysis and consultation that optimizes the recycling potential of future products.

NEW TECHNOLOGY DRIVES DEVELOPMENT

Digitalization provides opportunities for developing new services and deepens collaboration with customers. The Stena Metall Group works closely with its customers in the development of new products and services. During the year, the collaboration between Volvo Cars and Stena led to the development of new recycled plastic components.

Many of Stena Recycling's customers use the company's customer portal, which offers statistics that give an overview of waste streams and support strategic improvement work. Stena Recycling is also testing sensors in waste containers that optimize collection intervals and minimize transportation.

By planning a new terminal in Fredrikshamn, and investing in a ship which will be delivered in 2019, Stena Oil will reduce costs, and increase environmental efficiency, which in the long term will reduce the fleet by one vessel.

Salt slag is the largest by-product of aluminium recycling. For several years, Stena Aluminium has been working on processing it in an environmentally sound and efficient way. Now, an innovative process has been developed that cools the slag, enabling the extraction and recycling of its remaining aluminium content. After that, salt is extracted and reused in the company's manufacturing processes. The residual slag is used to produce synthetic slag, which is used in steel production and replaces lime.

Stena Stål collaborates with its customers to develop sustainable purchasing. This is achieved by optimizing transportation or encouraging customers to place larger single orders, instead of multiple smaller ones, for example.

CONTINUED SUCCESS AT THE STENA NORDIC RECYCLING CENTER

Producing raw materials by recycling reduces overall energy consumption and offers major climate benefits, in comparison to the use of virgin resources. At the Stena Nordic Recycling Center, huge quantities of material are moved up the waste hierarchy by reusing, recycling, or energy recovery processing, which increases recycling rates, energy savings and environmental benefits.

In order to expand its expertise in specific materials, Stena Recycling has established a number of material centers around Sweden. Here, expertise is developed, not only regarding the inherent qualities of materials but also in logistics and technology. Concentrating greater volumes in one place enables investment in the best possible technology and increases the value of materials.

During the year, the Stena Metall Group issued its first green bond, amounting to SEK 800 million, with a term of five years. This has been exclusively used to fund further development at the Stena Nordic Recycling Center. New technology is being continuously installed at the facility in line with industry developments and to meet customer demand for increased recycling rates and reduce landfill depositing.

RESEARCH FOR THE FUTURE

New products and materials place higher demands on both manufacturers and recycling companies, who need to stay ahead of trends in material recycling. Stena Metall collaborates with a number of leading universities and technical colleges. Customers are also often directly involved in its research projects.

At Chalmers University of Technology, in Göteborg, the Stena Metall Group has established a professorship in industrial recycling. Within this framework, several research projects are being carried out, including one into the recycling of lithium-ion batteries.

ONGOING RESEARCH COLLABORATIONS

Lightweight materials, such as carbon fiber composites, are increasingly used in the automotive industry to reduce weight and, therefore, fuel consumption. This creates new challenges when recycling end-of-life vehicles.

Stena Recycling contributes its extensive expertise in separation processes to industrial research collaborations into how these light weight materials can be recycled.

An aerial photograph of a recycling plant. In the center, a yellow front loader is parked on a dark, paved area. To its right, a large yellow excavator is positioned. The foreground and background are filled with large piles of sorted waste, including metal, plastic, and organic matter. The lighting is dramatic, with long shadows cast across the ground.

RESOURCE EFFICIENCY

Stena Metall has been working for many years on structured improvement work that constantly improves the use of resources. Efficient processing helps improve both profitability and the Group's impact on the climate.

Stena Way of Production (SWOP) is the Group's lean-inspired program for efficient production. The Stena Way of Branches (SWOB) program has been initiated in all business areas in order to drive improvement work across its branch network.

Continuous improvements are made through the harmonization of working methods, which enable the Group to learn and adapt more easily, and make its operations safer and more cost effective.

CONTINUOUS TRANSPORT OPTIMIZATION

As transportation accounts for a significant amount of the Group's emissions, it always aims to coordinate and streamline its transport and resource flows. Streamlining transportation between its own facilities offers the greatest potential for reducing overall emission levels.

Stena Aluminium developed a new logistics solution during the year, which saw a major proportion of its transportation being made by rail instead of road.

Stena Recycling is also increasing the proportion of rail transportation it uses, as well as combing loads, where possible. In Sweden, the company has created a portal for its haulage contractors, so they can communicate with each other and reduce empty container transportation.

The Stena Nordic Recycling Center's location in Halmstad makes it a valuable asset for all the markets in which Stena Recycling operates. Access to efficient road and rail networks, and the port of Halmstad, make it a recycling hub with environmentally sound transportation.

For Stena Oil, resource optimization is an important part of its day-to-day operations – planning cargos and making the most effective use of its vessels, among other tasks. In order to avoid sailing with empty holds, the company collects slops (oil contaminated water) after bunkering. The slops are cleaned by Stena Recycling and the extracted oil is recycled for industrial use. The new terminal in Fredrikshamn will further reduce the company's climate impact, due to its greater proximity to customers.

REDUCING EMISSIONS

The use of energy from renewable sources is increasing throughout the Group, including hydroelectric power. The more extensive use of fossil-free fuels in its machinery is currently being evaluated.

During the year, Stena Components completed an energy survey at Nybro, which reduced emissions further.

Stena Stål has several initiatives aimed at reducing carbon dioxide emissions, among them is promoting sustainable purchasing to its customers. This will allow transportation to be optimized, resulting in reduced climate impact. The online ordering system allows customers to access Stena Stål's entire product range and those of its European partners. The ability to combine orders leads to overall reductions in energy consumption.

SUSTAINABILITY RESOURCE EFFICIENCY

Recycling aluminium significantly reduces carbon dioxide emissions – 95 per cent less energy is consumed in comparison with the use of virgin raw material. Aluminium is light, strong and reduces fuel consumption when used in vehicle manufacture, for example. Locally-produced aluminium leads to reduced transportation for Swedish customers and better monitoring of the whole value chain. Stena Aluminium promotes its products as a replacement for heavier materials in component manufacturing to companies in a range of industries.

INVESTMENTS IN NEW TECHNOLOGY

The Stena Metall Group aims to take advantage of digital solutions that streamline material flows and rationalize processes. For example, a transport management system has been implemented at several Stena Recycling facilities that stimulates fact-based decision-making and helps optimize logistics and value chains.

EXPANDING THE RECYCLING HUB

During the year, further investments were made at the Stena Nordic Recycling Center. These included soft plastic recycling, improved processing of non-ferrous metals and new cable granulation equipment.



PEOPLE AND CULTURE

The success of the Stena Metall Group is built on employees with the knowledge and skills to develop its operations and a strong commitment to its values, business principles and common goals. The Group's activities are based on delegated business acumen and shared values, as well as safe, secure workplaces, developing skills, leadership and diversity.



SAFETY IS THE PRIORITY

During the year, further developments have been made on common systems and processes that support safety work. Documentation for minimum requirements in different areas has been introduced at Group level. These will now be implemented in Group companies, who will adapt them according to their individual needs and conditions. Our operations are dependent on safety consciousness throughout the value chain, and dialogue is maintained with customers and partners about its importance.

The Take Five concept has been introduced in all companies during the year – encouraging all employees to stop and think before taking any action that may compromise safety.

In January, a Group-wide initiative, called Time Out for Safety, was also implemented, where all employees reflect for at least 20 minutes on their own workplace and how it could be improved from a safety standpoint. An introductory film message from the CEO was part of the program. More accidents than expected were recorded during the year.

A very serious accident which resulted in a fatality occurred at one of Stena Recycling's facilities in Halmstad. The Group takes the incident extremely seriously and is implementing a range of measures to ensure that nothing like this occurs in the future.

WORKING ENVIRONMENTS AND COMMON VALUES

Being an attractive employer is key to the success of the Stena Metall Group's companies. Therefore, they aim to offer safe, stimulating working environments, characterized by diversity, inclusion and openness.

The guiding principle for all operations is a common value base, built on the Group's core values - Simplicity, Safety and Development. All employees are required to know these and fully understand what they mean.

CONTINUALLY DEVELOPING SKILLS

Well-trained, motivated employees are best equipped to create value for customers, their company and themselves. The Stena Metall Group comprehensively invests in leadership training for its employees. A Group-wide program was launched during the year, with hundreds of managers and supervisors taking part in Stena Way of Leadership, one of several modules. In addition to safety and core value training, employees undertake regular, skill-enhancement training in business, as well as product and material knowledge. All companies also work on developing management skills, through training and providing leadership tools.

During the year, Stena Aluminium halted production and held two development days, involving all its employees. The focus was on safety and improvement work, in accordance with the Group's SWOP lean production program.

Stena Components identified specific areas that required further training, such as machine processing and reading technical drawings. In order to retain and attract employees, the company is focusing on training its employees in these areas and creating attractive workplaces. Stena Oil seeks to improve the trading skills of its employees and is conducting internal training.

DIVERSITY PLANS AND COOPERATION

Diversity offers the opportunity to combine people with different backgrounds, experiences, genders and cultures. It creates a dynamic that aids the development of the company and its ability to innovate.

During the year, companies within the Group formulated plans that will form the basis for its continued diversity work. Stena Stål is participating in a research study, at MIT (Massachusetts Institute of Technology), which focuses on diversity and gender equality. The research examines diversity from different perspectives, investigates how different groups are represented and assesses their ability to affect decision making.



Nicoleta Madalina Popescu, Quality Assurance Developer, was recruited through Mitt Liv (My Life), together with Annica Winkvist, Security Manager, Stena Recycling.

EXPANDED COLLABORATION TO ATTRACT INTERNATIONAL TALENT

Stena Metall is collaborating with the Mitt Liv organization to recruit employees international talent with environmental, economic and IT expertise from. The parties have now initiated a deeper partnership.

RESPONSIBLE RELATIONSHIPS

Conducting responsible business is fundamental to Stena Metall Group operations at all levels. In support of this, the Group's code of conduct is communicated to all its employees and business partners.



As sustainability partner for Volvo Ocean Race, among other activities Stena Recycling held a seminar on the potential in plastic recycling when the race came to Gothenburg.



Through its engagement in local issues and open dialogue with stakeholders, the Group promotes positive social development. In order to build a circular economy, all its stakeholders need to share the belief that environmental and social considerations should be integrated into business development.

The Group's code of conduct is based on the principles of the UN Global Compact, regarding working conditions, the environment, human rights and corruption. Compliance with the code of conduct is expected from all employees and business partners, in order to ensure consensus throughout the value chain. This unified approach contributes to society and the long-term, sustainable development of Stena Metall.

DIALOGUE WITH STAKEHOLDERS

Through regular dialogue with customers, employees, creditors, politicians and neighbors, the Group receives valuable input for its strategic sustainability work. Communication with stakeholders also plays an important role in business development, as it gives rise to new business ideas, while offering customers and other partners the chance to benefit from Stena Metall's research work and expertise.

Stena Metall takes an active role in discourse with politicians and legislators, at both national and EU level. A consensual approach can help eliminate market barriers and local obstacles towards the development of a circular economy.

During the year, Stena Aluminium conducted a customer survey that showed continued high confidence in its delivery precision and ability to meet its customers' needs and expectations.

EXCHANGE OF KNOWLEDGE

Participation in various forums and expert groups, such as the European Innovation Partnership, provides an important exchange of experiences. Equally important is continuous dialogue with decision-makers at both national and EU level.

Stena Recycling in Denmark is one of 21 selected Danish businesses involved in projects connected to the UN's Global Sustainable Development Goals. Participants offer suggestions on how the goals can be translated into specific business development measures.

SOCIAL COMMITMENT

The Group and its companies are committed to supporting sustainable development within local communities. With operations at around 200 locations, its companies aim to act as a positive force in local community issues.

Through the Jobbsprånget initiative, the Group supports academics that have newly arrived in Sweden. Representatives of Stena Metall also regularly offer lectures and teaching at schools, colleges and universities. Students are also encouraged to write theses and essays related to its operations. These commitments, help develop the Group's own operations and employees while providing individuals with opportunities.

The Group also provides support for maritime safety. Stena Oil has equipped a vessel for rapid response to oil spills in parts of the Baltic Sea, as part of an assignment for the EU.

In Sweden, Stena Recycling is part of The Haga Initiative, which is committed to reducing the climate impact of business and demonstrating how climate strategies offer business benefits. The company also collaborates with The Perfect World Foundation on minimizing plastic waste in the world's oceans. Stena Oil also collaborates with Strandstädarna, an organization focused on waste collection and minimization along Sweden's westcoast.

GIVING AND RECEIVING AWARDS

The Stena Circular Economy Award is given to students who offer commitment and knowledge that promotes transition to a sustainable society. 2017/2018 was the fourth time the award was handed out and 15 pupils were awarded scholarships for their commitment to circular economics and improved management of the earth's resources. Stena Recycling Poland also offers a scholarship focusing on research into the circular economy.

During the year, the Stena Nordic Recycling Center was awarded the waste treatment prize at the annual Återvinningsgalan event, which is organized by Recycling magazine, in collaboration with Avfall Sverige and Återvinningsindustrierna – Swedish recycling industry associations.

LONG-TERM PARTNERSHIP

Stena Recycling is sustainability partner for the Volvo Ocean Race, which this year focused on attracting attention to the effects of plastic pollution in the world's oceans. Stena Recycling conducted seminars at various locations, during the event, in order to share its expertise on this topic and share knowledge about sustainable resource management.

SUSTAINABILITY FOR STENA METALL

Sustainability plays an important role in the development of Group operations. It has long been a key part of the value base that supports employees in their day-to-day work: It helps expand the business, retain customer trust and maintain good relationships with stakeholders. The Group's core values - Simplicity, Reliability and Development provide additional support in meeting stakeholder needs in the short and long term.

Sustainability issues are integral to the business strategies of Stena Metall companies. In dialogue with customers and other collaborators, products and services are developed that increase the recycling and resource efficiency of materials. The Group offers recycled raw materials, quality-assured steel products and marine fuels that ensure shipping companies can meet future emission requirements) Business strategy throughout the Group seeks to develop circular material handling throughout society.

The Stena Metall Group is part of the Stena Sphere and shares the values described by its principle owner and chairman, Dan Sten Olsson, in his book, Principles, Convictions and Basic Values for Stena Metall AB. The book includes his vision of the relationship between business and sustainability work. It also defines the Group's core objectives, in terms of business acumen,

profitability, customer satisfaction, quality, employee commitment and innovation. These key areas, together with the core values, are fundamental to employees' day-to-day work, as they support development of the business and its working culture. A deep understanding of the Group's core values creates long-term sustainable business and solutions for society as a whole.

Within the framework of Stena Metall's group-wide sustainability program, four priority areas have been identified: Value Creation, Resource Efficiency, People and Culture, and Responsible Relationships. Each area has its own strategic approach, ambitions, performance indicators, projects and activities. The program is based on prevailing business conditions, environmental analyzes, stakeholder dialogue and materiality analysis, as well as international guidelines, including the UN Global Compact. The program for each

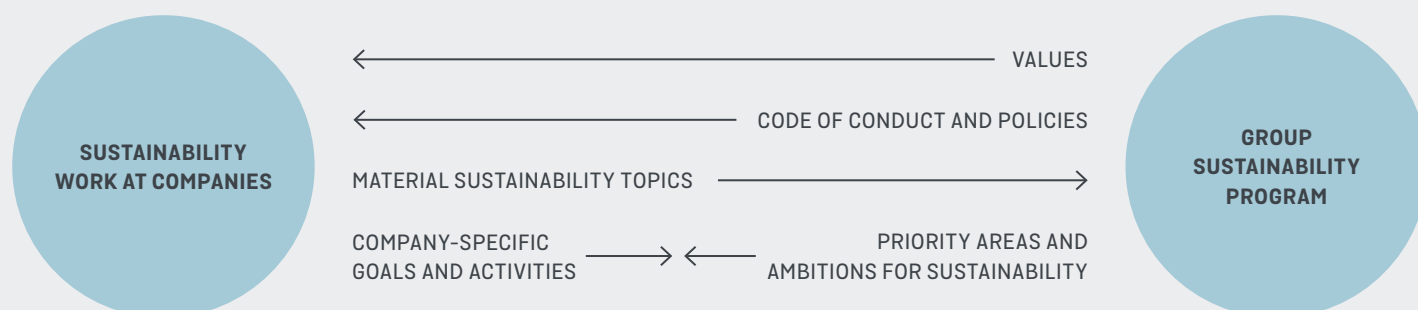
business area, is founded in the challenges and opportunities identified by the United Nations' Sustainable Development Goals.

The specific sustainability work of each company within the Group has been identified, with the results consolidated at Group level. Companies are individually responsible for incorporating sustainability objectives into their business strategy, as well as monitoring success according to key performance indicators.

GRI Standard - information and description

102-16	Values, principles, standards and norms of behaviour
102-11	Precautionary principle or approach

GROUP COLLABORATION IN THE DEVELOPMENT OF SUSTAINABILITY WORK



OTHER SUSTAINABILITY INFORMATION

ABOUT THE REPORT

This is Stena Metall Group's second annual sustainability report. It describes the Group's sustainability work during the 2017/2018 financial year and covers the work of Stena Metall AB and its wholly-owned subsidiaries. Group operations are divided into seven business areas and are conducted at approximately 200 locations in ten countries. The sustainability report complements the Group's financial reporting by describing the Group's ambitions, strategy, governance, risk and opportunity assessment from a sustainability perspective.

The Group publishes its sustainability report in accordance with GRI Standards Core. A full GRI index can be found on page 59. Stena Metall's sustainability

report is not reviewed by a third party. The Group refers to the following voluntary guidelines for sustainable business - Global Compact, GRI and GHG Protocol.

This statutory Sustainability Report has been issued by the Board of Directors of Stena Metall AB but is not part of the formal Annual Report documentation. The Sustainability Report in accordance with the Annual Accounts Act is included in this document on the following pages: 12-21 and 38-62. Unless otherwise stated, the information pertains to the entire Stena Metall Group, including subsidiaries. There have not been any restatements of information or changes in reporting compared with last year's report.

GRI Standard - information and description

102-49	Restatements of information
102-49	Changes in reporting
102-50	Reporting period
102-51	Date of most recent report
102-52	Reporting cycle
102-54	Claims of reporting in accordance with the GRI Standards
102-56	External assurance
102-12	External initiatives
102-45	Entities included in the consolidated financial statements

MEMBERSHIP OF ORGANIZATIONS AND FORUMS THAT FOCUS ON SUSTAINABILITY

The Stena Metall Group has memberships of a number of forums and industry associations that promote sustainability initiatives, mainly for increased recycling and the circular economy. These are: EuRIC, The Strategic Innovation Program RE: Source, The Swedish government's collaborative group for a circular bio-based economy, Competence Center Recycling, Irepas (International Rebar Exporters and Producers Association), European Aluminium, Svenskt Aluminium, Swedish Foundry Association, Dansk Industri - ARI, DAKOFA, Danish Recycling Industries'

Association, Danish Forum for plastics, Finnish Environmental Industries (YTP), Technology Industries of Finland, The Finnish Scrapdealers Association, Återvinningsindustrierna, Izba Przemysłowa, RECONOMY Coalition, Responsible Business Forum, European Electronics Recyclers Association, Norsk Industri, Norsk Returmetallforening, Utvalg for gjenvinning, NFFA - Norwegian Association for hazardous waste, NSO - Norwegian Sikkerhetsorganisasjon.

GRI Standard - information and description

102-13	Membership of associations
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OTHER SUSTAINABILITY INFORMATION

STAKEHOLDER DIALOGUE

Strengthening business development and working with customers and other collaborators to promote the circular economy are important elements in the Group's sustainability program.

The Group values open and continuous dialogue with its stakeholders. Dialogue is conducted in different ways and has different aims. The common denominator is to engage with stakeholders on important issues, in order to strengthen Group development. This dialogue also provides valuable information that aids the development of products and services that help customers improve their sustainability work based on their challenges.

In 2017/2018, stakeholder dialogue focused on monitoring quality, developing services and collaborating on new sustainable solutions.

GRI Standard – information and description

102-40	List of stakeholder groups
102-42	Identification and selection of stakeholders
102-43	Approach to stakeholder engagement
102-44	Key topics and concerns raised

STAKEHOLDERS

Examples of dialogue and activities

Examples of important issues for stakeholders

Banks and financial institutions

Continuous dialogue	Financial position and development
Information meetings about the capital market	Sustainability issues from an investment perspective

Customers and collaborative partners

Continuous dialogue	High recycling levels
Customer meetings	Skills and expertise in materials and resource management
Seminars	Good service and the right grades of material
Customer surveys	Safe operations and risk management
Roundtable discussions	Reliable waste management statistics
Interviews	Monitoring the value chain and traceability of materials
	Reducing climate impact

Employees

Stena voice employee survey	Possibilities for learning new skills and career development
Workshops	Sense of well-being and good leadership
Interviews	Safe and secure workplaces
Management training in leadership and working environment	

Authorities

Consultation meetings	Environmental impact of operations
Supervisory meetings	Safety and good working environments
Participation in reference and consultation groups	Legal compliance

Politicians and decision makers

Meetings and seminars	Measures that enable a circular economy
Responding to referrals	Reducing climate and environmental impact
Participation in reference and consultation groups	
Study visits to group facilities	

Owner and board of directors

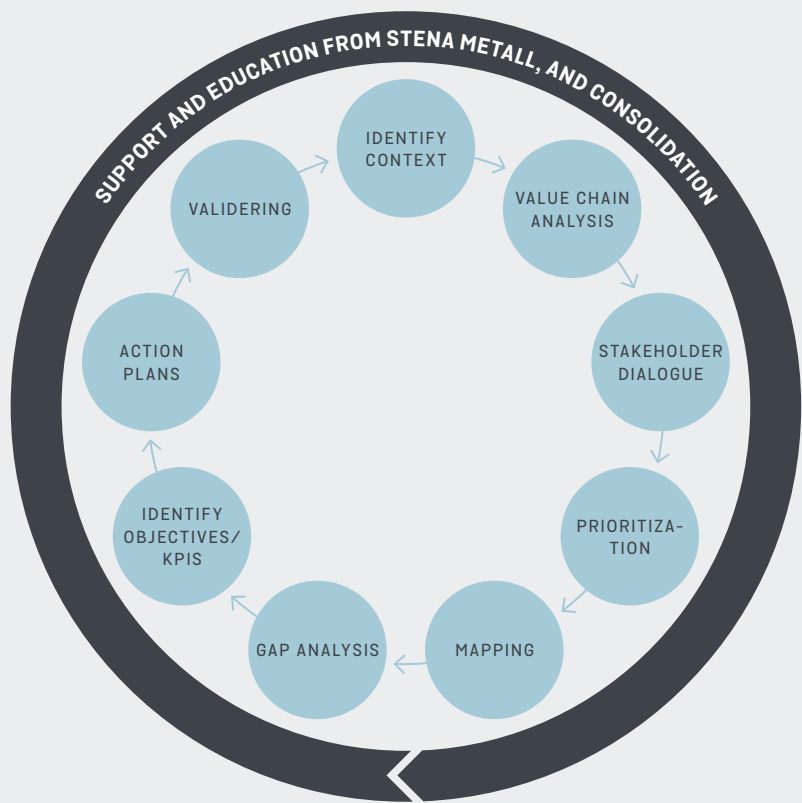
Board meetings and pre-meeting reports	Long-term profitability
Regular meetings and reports	Increasing customer satisfaction
Strategy meetings	Maintaining good relationships with the outside world
	Nurture an increasing confidence
	Improving and expanding business

MATERIALITY ANALYSIS

Each business unit has its own specific issues. It is therefore vitally important that strategic sustainability work is based on the challenges and opportunities within each company. In combination with analysis of external factors and stakeholder dialogue, the analyses and results from the Group have been consolidated and evaluated at group level. This forms the basis of the sustainability report's content and materiality analysis for 2017/2018. The results give a strategic focus for group-wide sustainability work between 2017 and 2020. Identifying material topics is part of the company's annual strategy work.

MATERIAL TOPICS

The Group's material topics are identified from the perspective of long-term business development. Since the Group act in collaboration with stakeholders and the outside world, the topics also reflect those prioritized by stakeholders.



GRI Standard – information and description

102-46	Defining report content and topic boundaries
102-47	List of material topics

INFORMING

- Innovation
- Partnership
- Dialogue on circular economics
- Attract employees and develop skills
- Profitability and investment

MONITORING

- Services that benefit circular economics
- Water-usage at production facilities
- Legal compliance and risk management
- Anti-Corruption
- Research and Development

GOVERNANCE AND REPORTING

- Customer satisfaction and quality
- Recycling levels
- Skills development
- Energy and reducing climate impact
- Transportation
- Safety
- Diversity and inclusion
- Code of Conduct and monitoring the value chain

INCREASING MATERIALITY

OTHER SUSTAINABILITY INFORMATION

VALUE CREATION

STRATEGIC APPROACH

We shall invest in business development and research that develops our services and products, in order to create value for our owners, customers, partners, and society as a whole, and promote development towards a circular economy.

AMBITIONS

- Lead innovation and development that improves material efficiency, as well as increasing recycling and reuse rates.
- Lead innovation and development that expands and improves services and products for customers.
- Increase collaboration with customers, in order to create innovative solutions and exchange knowledge.
- Increase customer satisfaction.

MATERIAL TOPICS

Customer satisfaction and quality
 Recycling levels
 Innovation
 Profitability and investments
 Research and development
 Partnerships
 Services that contribute to the circular economy

KPI'S/INDICATORS

Recycling rates
 102-43 Customer satisfaction
 102-7 Group results

EXAMPLES IN 2017/2018

Green bonds
 Battery research
 Research into neodymium magnets
 Plastic Project
 LIFE Halosep – ash recycling
 Relight – recycling lightweight cars
 Reuse of electronics
 Stena Recycling Lab
 Technological investment in salt slag recycling for use in steel production
 Cement product REPUR



RESOURCE EFFICIENCY

STRATEGIC APPROACH

We shall ensure that our processes and operations are energy and resource efficient and work continuously to reduce our environmental impact.

AMBITIONS

- Increase energy efficiency and use of renewable energy
- Optimize transportation and reduce transport-related emissions Reduce emissions at facilities
- Invest in technology, improve internal processes and explore opportunities for digitalization (Automation and IoT)

MATERIAL TOPICS

Energy consumption and reduced climate impact
 Transportation
 Water-usage at production facilities

KPI'S/INDICATORS

306-2 Waste Management
 302-1 Emissions
 302-2 Emissions
 303-1 Water

EXAMPLES IN 2017/2018

Energy surveys and efficiency measures
 Stena Way of Production/Branches
 Logistics projects and electric trucks
 New bunkering vessel
 Investment in storm water solutions
 Sensors in waste containers
 Investments in the Stena Nordic Recycling Center



OTHER SUSTAINABILITY INFORMATION

PEOPLE AND CULTURE

STRATEGIC APPROACH

We shall ensure safe, secure, healthy and inclusive working environments. We shall support employees, in order that they become proud, committed members of the organization, based on Stena's values, business principles and common goals.

AMBITIONS

- To create safe, healthy working environment where accidents, injuries and work-related illnesses are minimized.
- To ensure employees have the necessary skills and knowledge, and comply with the Group's values.
- Ensure diversity and equal opportunities.
- Develop leadership and internal career opportunities.

MATERIAL TOPICS

Safety
Attract and train employees
Competence training
Diversity and inclusion

KPI'S/INDICATORS

102-8 Number of employees – by region and gender
102-43 Stena Voice, employee survey
405-1B Number of employees per category
405-1A Diversity of governance bodies and employees
102-41 Proportion of employees covered by collective bargaining agreements
403-2 Injury, work-related illness
404-2 Educational program

EXAMPLES IN 2017/2018

Policy development
Time out for safety
Take five
Leadership Program
Material Knowledge Training
Diversity plans - company level
Trainee program



RESPONSIBLE RELATIONSHIPS

STRATEGIC APPROACH

We shall pursue and contribute to responsible business practices, based on the code of conduct, and maintain continuous dialogue with stakeholders, concerning efforts that promote sustainable development.

AMBITIONS

- To ensure compliance with the code of conduct and apply these values in all activities.
- Create responsible relationships with subcontractors.
- Implement the code of conduct throughout the supply chain.
- Maintain and develop transparent and responsible dialogue with stakeholders.
- Promote development to a circular economy in society as a whole Increase compliance and professionalism within the industry.

MATERIAL TOPICS

Dialogue on circular economics
Code of conduct and monitoring of the value chain
Anti-corruption measures
Legal compliance and risk management

KPI'S/INDICATORS

307-1 Compliance with environmental legislation
419-1 Compliance with social and economic legislation
205-3 Confirmed cases of corruption
102-17 Use of the whistleblower function
Number of employees that have signed the code of conduct
Number of external audits carried out by customers

EXAMPLES IN 2017/2018

Participation in high-level forums and expert/interest groups
New anti-corruption policy
New template for the evaluation of suppliers
Collaboration with universities, including Linköping, Chalmers and Örebro
Mapping sustainability risks with a focus on human rights
EMSA safety exercises in Malmö and Norway



An aerial photograph of a rugged mountain peak. The top of the mountain is covered in large, grey, layered rock formations. The lower slopes are covered in dense forest with trees in various shades of autumn, including bright yellow, orange, and green. The sky is a deep, dark blue, suggesting a clear, high-altitude environment.

MANAGEMENT OF SUSTAINABILITY RISKS

Effective risk management is vital in creating long-term, sustainable business, maintaining competitiveness and creating value. Stena Metall works systematically on risk identification and risk management in relation to sustainability. It forms a central part of Group operations and is a priority for all its companies, departments and facilities. Risk management is integrated into internal processes and management systems.

In 2016/2017, strategic work began on the standardization of risk mapping and risk management processes in certain departments. Group-wide tools for risk mapping have been developed, along and analyses that identify the Group's most significant sustainability risks have been carried out. The primary sustainability risks are safety and environmental issues, as well as issues relating to values in the code of conduct.

OTHER SUSTAINABILITY INFORMATION

Environment

Significant risks	Risk management
Emissions to land, air and water when handling waste, materials and products	All Group companies apply the precautionary principle. They comply with permit conditions and environmental legislation. The majority of companies are ISO 14001 certified. Supplier assessments are carried out on subcontracted haulage companies. The Group continuously invests in technology, bunding areas, run-off surfaces, risk mapping that leads to preventive measures, training, systematic safety work and fire prevention measures.
Violation of permit conditions	The Group maintains close dialogue with authorities. It develops processes for storage planning, self-monitoring, internal control and training in order to comply with permit conditions.
Consumption of fossil fuels with climate impact	Group companies work independently on setting environmental and energy-efficiency goals. Regular energy surveys are carried out, as well as energy-efficiency measures, such as transport planning and energy-reduction projects for engine idling times, collection optimization and transition to renewable fuels.

Social conditions and staff

Significant risks	Risk management
Insufficient working environment and safety measures	The Group carries out systematic safety and workplace improvement work, that include risk mapping and preventive measures. All companies have targets that are monitored quarterly. Training and employee surveys are regularly carried out. The majority of companies are OHSAS certified.

Human Rights

Significant risks	Risk management
Human rights violations in the value chain	The Group is working to apply its code of conduct throughout the value chain and introduce supplier assessment in the purchasing process. During the financial year, a policy has been developed to strengthen the Group's position on human rights. A workshop has been introduced to raise awareness and understanding of risks relating to human rights issues.

Anti-corruption measures

Significant risks	Risk management
Instances of corruption and unethical business practice	There is a potential risk of corruption within all operations. The Group aims to prevent corruption through clear policies, which are communicated to all employees. Other measures include training, risk analysis and continuous dialogue.

OTHER SUSTAINABILITY INFORMATION

VALUES, GOVERNANCE AND MANAGEMENT SYSTEMS

VALUES AND THE CODE OF CONDUCT

The Group's values are described by principal owner, Dan Sten Olsson, in his book, *Principles, Convictions and Basic Values for Stena Metall AB*.

The Group has adopted and implemented a code of conduct, which incorporates the values of its principal owner and the UN Global Compact. It also states that the Group shall, comply with the precautionary principle; an internationally valid principle for reducing environmental impact."The last revised version of the code of conduct was approved by the Group's board of directors in 2017. It is communicated to all employees and is accessible in all Stena Metall workplaces. The Group has an e-learning for code of conduct training and offers other forms of guidance. The code of conduct is integrated into all new employment contracts and also forms part of the introductory courses for new employees and business partners. All Group employees are required to be aware of, understand and follow the code of conduct.

DECISION-MAKING PROCESSES AND GOVERNING DOCUMENTS

Within the Stena Metall Group, there is a clear process for decision-making that clarifies individual responsibilities and the chain of command. In key areas, governing documents exist at both Group, business area and company levels. A review of the governing document structure is currently being carried out, which to ensure that the documents are properly designed and at the correct level within the Group. This review will continue into the next fiscal year.

In addition to its code of conduct, Stena Metall has adopted group-wide policies in the following areas:

- Health, Safety and Security policy
- Information Security policy
- Anti-Corruption policy
- Human Rights policy

Business units have their own routines and instructions that complement the code of conduct and group-wide governing documents, in areas such as environment and quality.

Governing documents are communicated via established information and communication methods and are made available to all relevant employees. All group-wide policies are adopted by Group Management, in addition to the code of conduct, adopted by the Group Board.

INFRINGEMENTS

If an employee is aware of violations to the Group's code of conduct, values, policies or legislation, there are procedures for how to communicate this. Firstly, employees are encouraged to speak with their supervisor, a senior manager or an HR representative. If this is not considered appropriate, it is possible to report events, anonymously, via the whistleblower function. From 2018/2019, this service will be provided by an external partner.

MANAGEMENT SYSTEMS

The majority of Group companies are ISO 14001, ISO 9001 and OHSAS 18001 certified. For electronics recycling, WEEELABEX and/or Cenelec standards – for the handling and recycling of electrical waste – are also applied.

Operations in Germany have incorporated the ISO 50001 energy management standard. Other companies are currently assessing how to incorporate energy efficiency into their management systems.

THE STENA METALL GROUP COMMITMENTS



OTHER SUSTAINABILITY INFORMATION

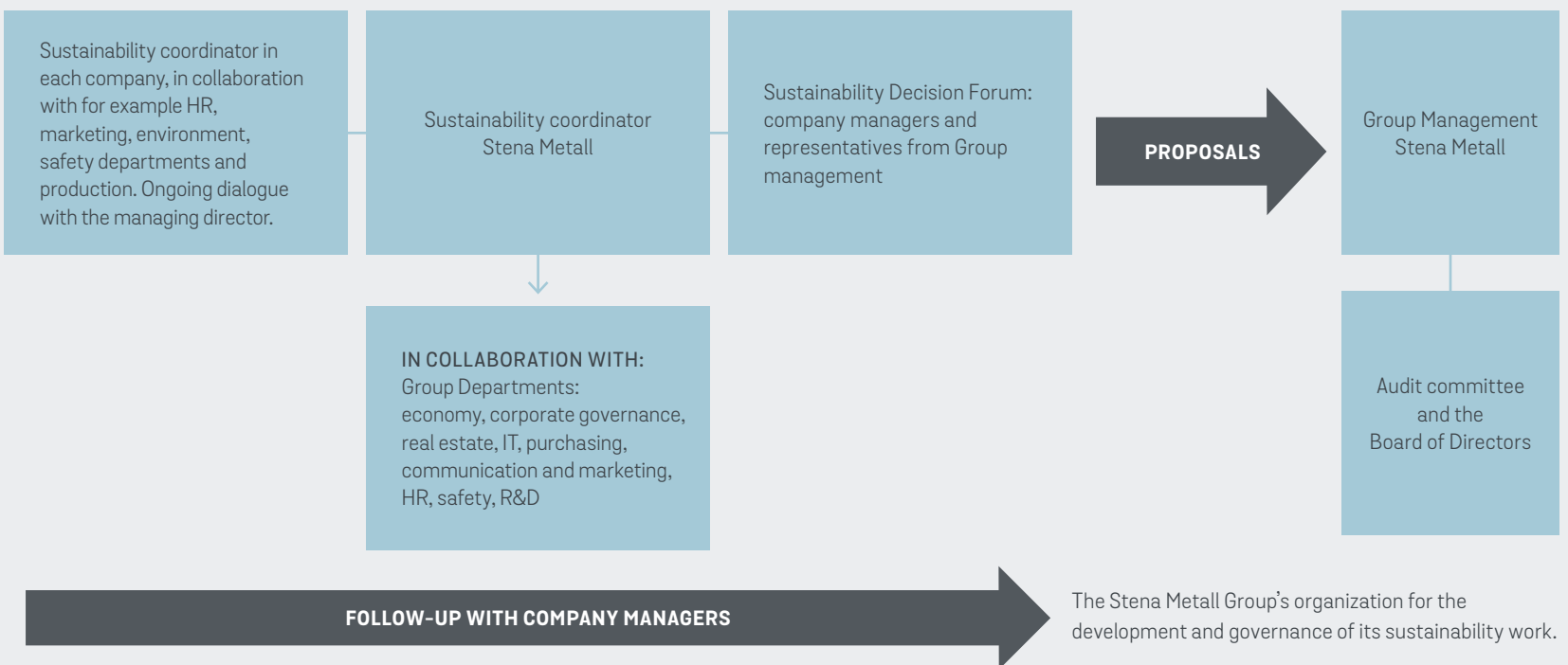
ORGANIZATION FOR SUSTAINABILITY WORK

The Group has an organization for the development of its sustainability work. It has sustainability coordinators in each company, with access to their respective CEOs, as well as HR, marketing, communication, environmental, safety and production representatives.

The coordinators report to a group-level coordinator with direct access to Group management and Group-wide departments, including research & development, real estate, IT, purchasing, marketing & communications, safety and HR. There is also the Sustainability

Decision Forum, which consists of elected company managers and Group management representatives.

Sustainability coordinators are responsible for anchoring sustainability issues with company managers. More important decisions from the Group's decision-making bodies can be addressed to Group Management and the Group's Board of Directors. Certain issues, related to internal control, can be addressed to the Group's Audit Committee.





OTHER SUSTAINABILITY INFORMATION

GRI INDEX 2017/2018

The Stena Metall Group's sustainability report has been prepared in accordance with Global Reporting Initiatives (GRI) Standards Core level. All standards are from 2016, unless otherwise stated. Page references refer to the Stena Metall Group's annual report and annual review, which also contain sustainability information.

GENERAL DISCLOSURES

GRI St No.	Description	Page
Organizational Profile		
102-1	Name of the organization	7
102-2	Activities, primary brands, products and services	8
102-3	Location of head office	64
102-4	Countries in which the organization operates	8
102-5	Ownership and legal form	63
102-6	Markets	8-9
102-7	Scale of the operations	7, 12
102-8	Information on employees and other workers	61
102-9	Supply Chain	20
102-10	Significant changes to the organization and its supply chain	13
102-11	Precautionary principle or approach	56
102-12	External initiatives	56
102-13	Membership of associations	49
Strategy and Analysis		
102-14	Statement from senior decision-maker	12-13
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	56
102-17	Mechanisms for advice and concerns about ethics	56
Governance		
102-18	Governance structure	56
Stakeholder engagement		
102-40	List of stakeholder groups	50
102-41	Collective bargaining agreements	61
102-42	Identifying and selecting stakeholders	50
102-43	Approach to stakeholder engagement	50, 60, 61
102-44	Key topics and concerns raised	50
Reporting practice		
102-45	Entities included in the consolidated financial statements	49
102-46	Defining report content and topic Boundaries	51
102-47	List of material topics	51
102-48	Restatements of information	49
102-49	Changes in reporting	49
102-50	Reporting period	49
102-51	Date of most recent report	49
102-52	Reporting cycle	49
102-53	Contact point for questions regarding the report	62
102-54	Claims of reporting in accordance with the GRI Standards	59
102-55	GRI content index	59
102-56	External assurance	49

SPECIFIC DISCLOSURES

GRI St No.	Description	Page
Anti-Corruption		
205-3	Confirmed incidents of corruption and actions taken	61
Energy		
302-1	Energy consumption within the organization	60
Water		
303-1	Interactions with water as a shared resource	60
Emissions		
305-1	Direct (Scope 1) GHG emissions	60
305-2	Energy indirect (Scope 2) GHG emissions	60
Effluents and Waste		
306-2	Waste by type and disposal method	60
	Recycling rates of handled material	60
Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	61
Occupational Health and Safety		
403-2	Hazard identification, risk assessment, and incident investigation	61
Training and education		
404-2	Programs for upgrading employee skills and transition assistance programs	45
	Percentage of employees who have signed the Group's code of conduct	61
Diversity and equal opportunity		
405-1	Diversity of governance bodies and employees	61
Quality		
	Number of external audits conducted by customers at own facilities	61
Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	61

The Stena Metall Group reports in accordance with GRI Standards 2016 Core. The sustainability report has not been audited by an external party.

OTHER SUSTAINABILITY INFORMATION

SPECIFIC DISCLOSURES

Value Creation	2017-2018	2016-2017	Comments
GRI 102-43 Customer Satisfaction			
Proportion of satisfied or very satisfied customers in surveys	71%	77%	
GRI 102-7 Group Results			Page 4 and The Stena Metall Group Annual Report 2017/2018
Recycling rate			
Business Area Recycling >95%			From 2015, manufacturers have a responsibility to reuse or recycle 95% of the weight of end-of-life vehicle's, according to Directive 2000/53/EC of the European Parliament and the Council of 18 September 2000. In collaboration with car manufacturers and dismantlers, Stena Metall Group companies achieve this target.
Business Area Electronics Recycling >80%			From February 14, 2014, electronics manufacturers have a responsibility for collecting and recycling end-of-life electronics, according to Directive 2012/19/EU of the European Parliament and the Council of 13 August 2012. In cooperation with manufacturers, Stena Metall Group companies recycle more than 80% of the material collected, which exceeds the required figure.

Resource Efficiency	2017-2018	2016-2017	Resource Efficiency Cont.	2017-2018	2016-2017
GRI 306-2 Waste by type and disposal method (tonnes)			GRI 302-1 Energy Consumption (MWh)		
Hazardous waste			Fuel		
Reuse	1 082	766	Non-renewable	180 900	257 800
Material recycling	95 725	140 594	Renewable ¹	89 200	0
Composting	14 459	15 449	Total	270 100	257 800
Recycling, including energy recovery	102 948	117 850	Electricity		
Incineration	7 650	11 379	Source-marked hydro-electric power	55 700	74 400
Deep injection	844	2 368	Residual mix	65 300	57 000
Landfill Deposition	45 022	51 792	Total	121 000	131 400
Intermediate Storage	0	0	District heating		
Other Disposal	59 831	66 103	District heating	16 900	10 600
Total	327 561	406 301	Total	16 900	10 600
Non hazardous waste			Total Energy Consumption		
Reuse	23 852	11 817		408 000	402 100
Material recycling	4 309 587	3 919 632	GRI 305-1 EMISSIONS (Tonnes)		
Composting	208 504	123 282		65 100	67 000
Recycling, including energy recovery	886 435	736 859	Direct (scope 1) GHG emissions ²		
Incineration	6 917	5 196	GRI 305-2 EMISSIONS (Tonnes)		
Deep injection	0	0		29 400	23 800
Landfill Deposition	241 277	239 320	GRI 303-1 WATER (M3)		
Intermediate Storage	0	0	Water consumption at production facilities, from municipal water management system	162 329	188 654
Other Disposal	11 477	47 664	Total water consumption at production facilities	162 329	188 654
Total	5 688 049	5 083 770			

¹ Diesel, including renewable 5-7%, 25% and HVO100

² Fuel: LPG, NG, Diesel, Fuel Oil, Gasoline

³ Electricity and district heating

OTHER SUSTAINABILITY INFORMATION

People and Culture	2017-2018	2016-2017
GRI 102-8 number of employees by region and gender		
Sweden	2 273	2 329
Denmark	360	353
Norway	245	253
Finland	123	129
Germany	88	90
Switzerland	2	2
Italy	129	128
Poland	574	546
USA	2	2
Total	3 796	3 829
Percentage:		
Women	24%	24%
Men	76%	76%

In Sweden, the proportion of both women and men working part-time is 2%. In Sweden, the number of temporary workers is 204 - there is an increase in this number during the summer holiday period. We do not have this information for other countries.

GRI 405-1 B number of employees, by category		
Proportion of office workers	49%	47%
Gender distribution:		
Women	43%	44%
Men	47%	56%
Age distribution:		
<30 years	9%	8%
30-50 years	61%	59%
> 50 years	30%	33%
Proportion of blue-collar employees	51%	53%
Gender distribution:		
Women	7%	6%
Men	93%	94%
Age distribution:		
<30 years	15%	14%
30-50 years	52%	53%
> 50 years	33%	33%

GRI 405-1a diversity of governance bodies and employees		
Gender distribution:		
Women	18%	20%
Men	82%	80%
Age distribution:		
<30 years	0%	0%
30-50 years	56%	60%
> 50 years	44%	40%

Refers to the Group's board of directors and subsidiary management groups.

GRI 102-41 proportion of employees covered by collective bargaining agreements		
Proportion of employees covered by collective bargaining agreements is approximately 80%		

No collective bargaining agreements in Poland and Germany, or for a proportion of our employees in Denmark.

People and culture, cont.	2017-2018	2016-2017
GRI 403-2 types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		
Number of accidents (personal injuries with sick leave, refer only to our own employees, not contract personnel)	60	44
Numbers, by category:		
Slips and falls	16	10
Crushing injuries	14	7
Stress injuries to body parts	4	5
Cutting injuries	4	6
Falling from height	4	0
Hit by object	11	10
Vehicle-related (including containers)	5	2
Related to explosion or fire	1	2
Related to electricity	0	1
Other	1	1
Fatalities	0	0
Accident rate (Number of personal injuries leading to sick leave, per million hours worked)	8,6	6,8
Severity of Accidents (Average number of days of sick leave, per accident)	16	15
Sick Leave (Leave as a result of illness in relation to regularly scheduled hours worked)		
Office employees	2,7%	2,7%
Blue-collar employees	5,3%	5,4%
All employees	4,0%	4,1%
GRI 102-43 Employee Survey - Stena voice		
Leadership index	4,31	4,28
Working environment index	4,00	3,90
Total index	4,25	4,21
Annual survey - the maximum value is 5.		

Responsible Relationships	2017-2018	2016-2017
GRI 307-1 compliance with environmental laws and regulations		
Number of confirmed violations	2	1
GRI 419-1 non-compliance with laws and regulations in the social and economic area		
Number of confirmed violations	1	-
GRI 205-3 confirmed cases of corruption		
Number of confirmed cases	-	-
Number of Audits		
Number of external audits carried out by customers at Group facilities	97	71
Code Of Conduct		
Percentage of employees who have signed the Group's code of conduct	90%	86%
GRI 102-17 whistleblower function		
Number of cases reported	0	2

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Stena Metall AB, Corporate Identity no. 556138-8371

ASSIGNMENT AND RESPONSIBILITIES

It is the Board of Directors who are responsible for the sustainability report for the financial year 1 September 2017 to 31 August 2018 on pages 12-21 and 38-62, and that it has been prepared in accordance with the Annual Accounts Act.

SCOPE OF THE AUDIT

My examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that my examination of the sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. I believe that this examination has provided me with sufficient basis for my opinion.

OPINION

A statutory sustainability report has been prepared.

Göteborg, 26 October 2018

Johan Rippe
Authorized Public Accountant

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BOARD OF DIRECTORS



Dan Sten Olsson
Chairman



Anders Jansson
President and CEO



Johan Widerberg



Mårten Hulterström



Per Kaufmann



Carl von Schantz



Joakim Rosengren



William Olsson

EMPLOYEE REPRESENTATIVES



Tonny Fogelqvist



Fabrice Angelini
Deputy



Ronny Persson
Deputy

THE STENA SPHERE

BUSINESS AREA*	STENA AB (PUBL)	STENA SESSAN AB	STENA METALL AB
FERRY OPERATIONS Sales SEK 12,737 million Profit SEK 915 million	Stena Line		
OFFSHORE DRILLING Sales SEK 3 507 million Profit SEK - 2 352 million	Stena Drilling Shuttle tankers	Shuttle tankers	
SHIPPING Sales SEK 6 598 million Profit SEK - 1,028 million	Stena Bulk Stena RoRo StenaTeknik, NMG	Concordia Maritime (52%)	
PROPERTY Sales SEK 4,950 million Profit SEK 2 736 million	Stena Fastigheter Stena Realty		
NEW BUSINESS Sales SEK 6,804 million Profit SEK 1210 million	Stena Adactum	Mylan (1,1%) Scandic (14,6%) Beijer Electronics (29,8%)	
FINANCE/OTHER Sales SEK 315 million Profit SEK 200 million	Stena Finans		Stena Metall Finans
RECYCLING, ENVIRONMENTAL SERVICES & TRADE Sales SEK 26,681 million Profit SEK 743 million			Stena Metall

The Stena Sphere is comprised of three parent companies, wholly owned by the Sten A. Olsson family - Stena AB (publ), Stena Sessan AB and Stena Metall AB - in addition to their wholly, or partly owned, subsidiaries. The partly owned company, Concordia Maritime AB (publ), which is listed on NASDAQ Stockholm, is 52 percent owned by Stena Sessan AB. In total, 19,400 people are employed in the Stena Sphere. Total sales amounted to SEK 59,213 million*. Profit before tax amounted to SEK 2,509 million.

*Figures relate to the period January 1, 2017 through December 31, 2017 - except Stena Metall's figures, which relate to the period September 1, 2017 through August 31, 2018.



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