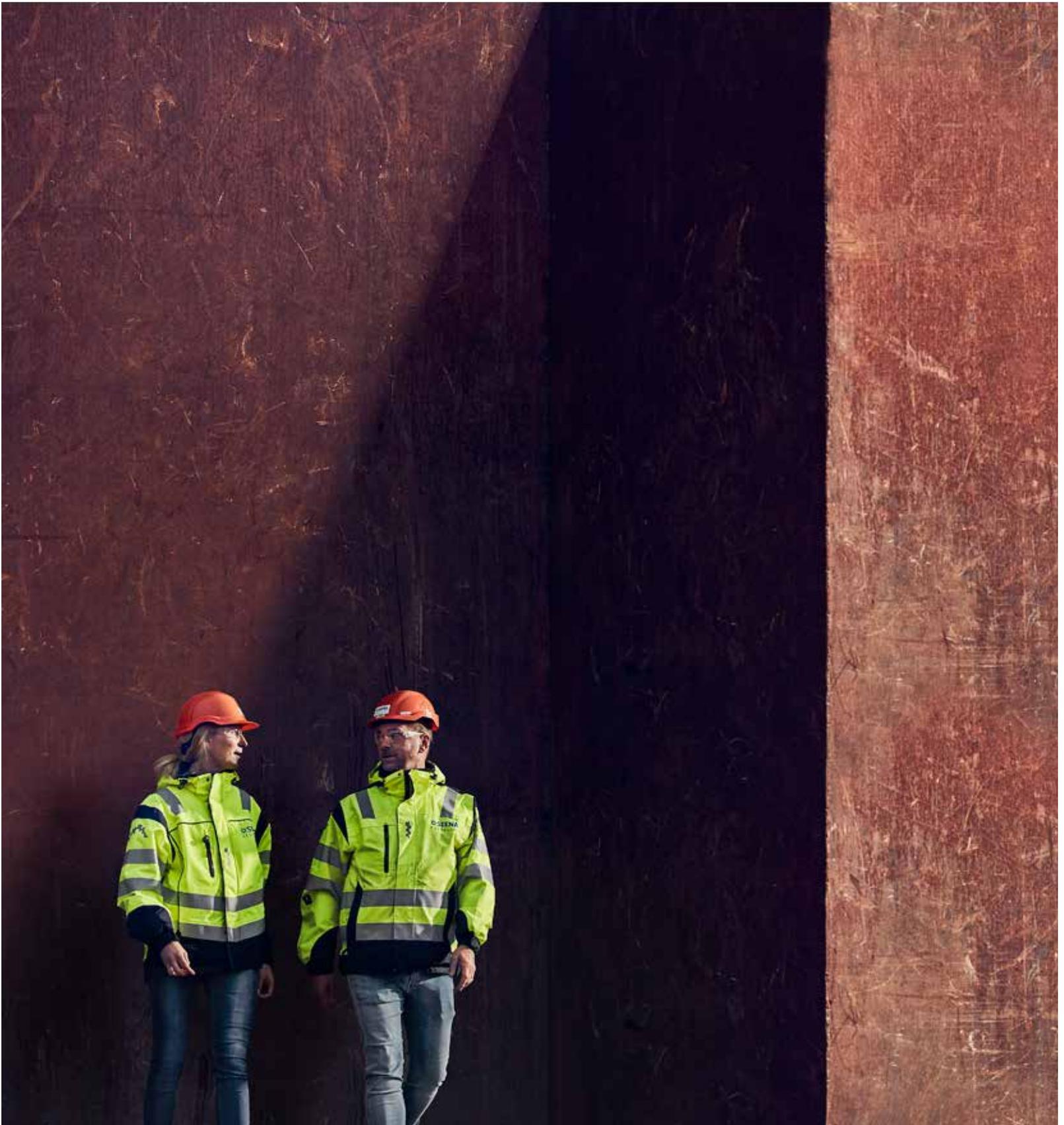


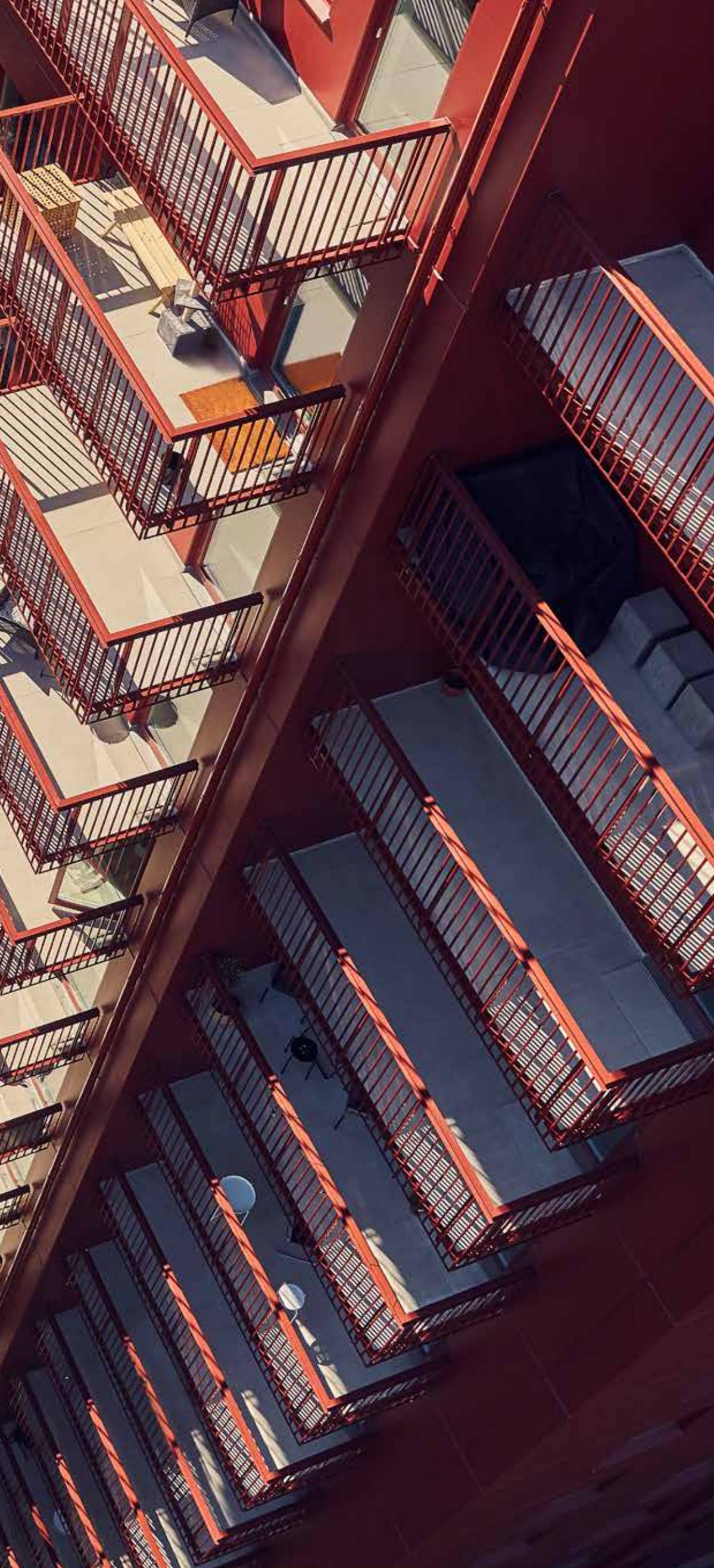
# STENA METALL





Stena Recycling driver Christoffer Rudén, collects paper and corrugated cardboard from the Kallebäck tower in Gothenburg. This newly-built apartment block was constructed with steel reinforcement supplied by Stena Stål.

Cover image: Elin Trossholmen, a business developer from Stena Recycling's Alternative Raw Materials department and Michael Eng, a Branch Manager from Stena Recycling in Borås.



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# THIS IS STENA METALL

The Stena Metall Group conducts operations at approximately 200 locations in ten countries and has 3,500 employees. In close collaboration with customers and partners, new value is created that benefits everyone – companies, the environment and society as a whole. Each year, the Group recycles almost six million tonnes of waste and end-of-life products. In addition, raw materials, steel products and marine fuels are delivered to customers all over the world. The Group carries out extensive research and development work in order to meet future challenges and create sustainable solutions that support the transition to a circular economy.

## SIMPLICITY, RELIABILITY AND DEVELOPMENT

The Group's capacity to make a difference is illustrated by its three core values: simplicity, reliability and development. Its unified approach and fundamental principles ensure a common culture, clarity for customers and the ability to attract and retain employees.

In June 2019, Stena Recycling's Circular Initiative gathered over 200 representatives from leading companies and the academic world, including Sarah McPhee, Chairman of the Board of Houdini Sportswear; Lena Westerholm, Head of Sustainability Affairs, ABB Sweden and Jacob Wallenberg, Chairman of the Board, Investor AB.

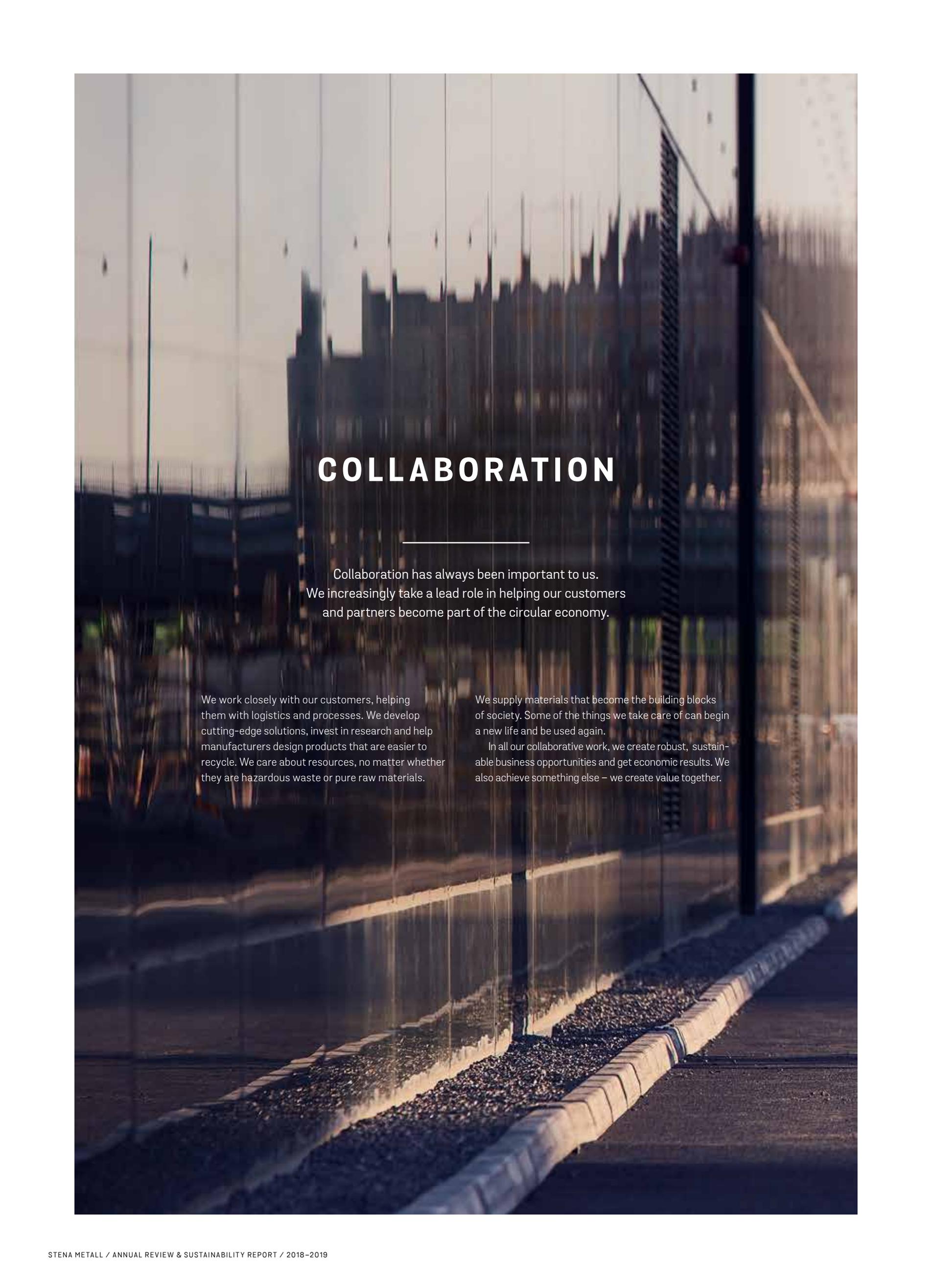


Irena Katana, Administrative Manager, Region West, Stena Recycling AB.



Louise Hydling, HR Manager; Tony Lidberg, Salesperson and, below, Defrim Tahiri, a smelting operator at Stena Aluminium.





# COLLABORATION

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Collaboration has always been important to us. We increasingly take a lead role in helping our customers and partners become part of the circular economy.

We work closely with our customers, helping them with logistics and processes. We develop cutting-edge solutions, invest in research and help manufacturers design products that are easier to recycle. We care about resources, no matter whether they are hazardous waste or pure raw materials.

We supply materials that become the building blocks of society. Some of the things we take care of can begin a new life and be used again.

In all our collaborative work, we create robust, sustainable business opportunities and get economic results. We also achieve something else – we create value together.



An aerial photograph of a forest during autumn. The trees show a mix of green, yellow, orange, and red foliage. A paved road curves through the upper left portion of the image. In the lower right, a body of water is visible, with a rocky outcrop extending into it. The overall scene is captured from a high angle, looking down on the landscape.

# THE YEAR IN SUMMARY

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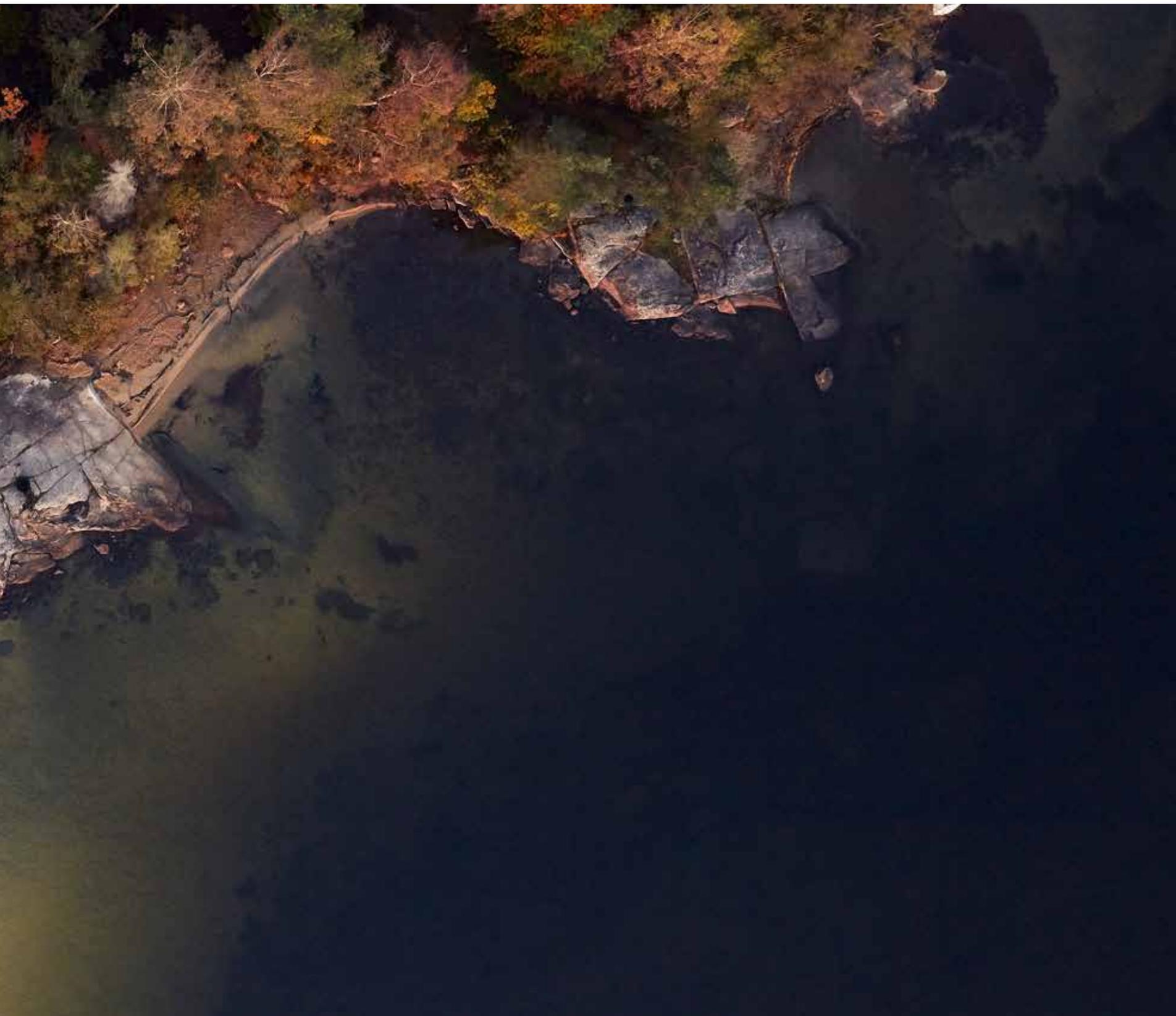
**NET SALES**  
SEK 27,391 million

**EBITDA**  
SEK 1,607 million

**OPERATING PROFIT**  
SEK 920 million

Stena Metall Group reported a result in line with last year in terms of EBITDA SEK 1,607 million (l.y. SEK 1,657 million).

Business Area Recycling reported a strong year with an EBITDA of SEK 1,323 million (l.y. SEK 1,306 million). Volumes ended in line with last year and margins were strong in general.



Stena Nordic Recycling Center (SNRC) is the hub of the industrial material recycling infrastructure that has been established within the Group. SNRC has continued to contribute to significantly increased recycling rates with higher quality.

Stena Recycling has been named Sweden's most sustainable brand for 2018. The award is based on interviews with decision makers in large companies. The B2B Sustainable Brand Index study is conducted by SB Insight.

In December the Stena Metall Group divested Juteskären AB to Stena Rederi AB. Juteskären AB owns the ferry MV Stena Scandinavica. The sale of Juteskären AB reduced the Stena Metall Group's interest bearing net debt with SEK 777 million.

In December Stena Metall Group also divested Stena Components in Molkom.



Meyer Werft, in Finland, is one of Stena Recycling's industrial customers, for whom it handles several thousand tonnes of iron and other metals every year. This production waste is recycled and becomes new raw material.

## OUR OPERATIONS

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### STENA RECYCLING

Stena Recycling offers services and total solutions for recycling and efficient resource management. Each year, almost six million tonnes of material is recycled from over 100,000 customers in a wide range of industries. These recycled raw materials, including ferrous and non-ferrous metals, plastics and paper, are resold and become the raw materials for new products. Operations are conducted in Sweden, Norway, Denmark, Finland, Germany, Poland and Italy. Material from several other European countries is also recycled.

### STENA ALUMINIUM

Stena Aluminium is the Nordic region's leading producer of aluminium by recycling. In addition, technical support, consulting and training in metallurgy, design and sustainable business solutions are also offered. Its customers are primarily foundries in northern Europe, with end customers in the automotive and aerospace sectors. Its operations are conducted in Älmhult, with a sales office in Kolding, Denmark.

### STENA STÅL

Stena Stål is a nationwide steel supplier, with production facilities, warehouses and sales offices at 14 locations across Sweden, and one in Moss, Norway. The company offers a wide range of beams, reinforcing bars, pipe, sheet, merchant bars, stainless and special steel, as well as aluminium. In addition to its wholesale business, it offers customized and pre-treated steel products to customer specifications.

### STENA COMPONENTS

Stena Components offers advanced workshop expertise and custom steel components for Nordic industry. In close collaboration with customers, it continuously develops manufacturing processes and services that best meet market requirements.

### STENA OIL

Stena Oil is Scandinavia's leading supplier of bunker oil and total marine solutions to vessels in the Skagerrak, Kattegat and the North Sea area. With its own trading department and access to several long-term contracted bunkering vessels, it offers efficient delivery at any time. Stena Oil also collects slops and sludge, in combination with its bunkering services, which are purified by Stena Recycling and returned into circulation.

### STENA METAL INC.

Stena Metal Inc. trades internationally in scrap metal, pig iron, hot briquetted iron, finished steel products and petroleum coke. These raw materials come from suppliers around the world and are sold internationally. Its headquarters are in Southport, Connecticut, USA.

### STENA METALL FINANS

Stena Metall Finans' main areas of responsibility are the administration, development and management of Stena Metall's cash flow and financial risks. Operations are conducted from its offices in Gothenburg and Zug, Switzerland.

### NEW VENTURES

New Ventures identifies and develops new areas of business. This may involve solving long-standing problems, assisting customers that require a whole new approach or developing business ideas that do not fit into any of our existing companies.

# CEO COMMENTS

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The Stena Metall Group is the Nordic region's leading recycling company. The 2018/19 financial year saw continued growth and further investment in new recycling solutions. The market was characterized by increased volatility and uncertainty. Profit before tax was SEK 1,004 million.

The 2018/19 financial year has been characterized by turmoil in the world around us, with overall uncertainty creating increasingly short-term behavior that, in itself, drives an economic downturn. Market conditions were very changeable for most of our businesses. Major price shifts occurred in commodity markets throughout the year. Pessimistic market projections intensified in the latter part of the financial year, which resulted in relatively large price drops.

As part of its environmental improvement efforts, China introduced a very strict policy on the import of mixed waste fractions of paper, plastics and metals. The country has gone from being one of the world's largest importers of these waste products to virtually closing its doors in just over a year. In the rest of the world, this has caused a major increase in the supply of these materials for recycling, which has pushed prices down considerably.

While volatile markets have led to challenging conditions for everyone, we have continued to develop our business in a positive way. With a combination of continuous improvement work and focused investments, we are continuing to grow. I am impressed by the commitment and business acumen shown throughout the Group during the year. It is proof that giving clearly delegated mandates to the right people with the right skills can create success, even in more challenging times.

I am particularly pleased with the quality and creativity of our result-oriented business acumen, which generates many new value-creating projects and collaborations.

Stena Recycling continues to make strong progress. As the Nordic region's leading recycling company, we

are advancing our market position, while continuing to invest in new solutions that further increase the degree of refining in our recycling. Our large network of branches and closeness to customers provides a solid foundation for Stena Recycling's good growth. More than 170 branches, linked through increasingly efficient logistics, with regional as well as central production units, continue to create new, exciting solutions for our customers, as well as for ourselves. The Stena Nordic Recycling Center (SNRC) is the Group's hub for its industrial material recycling infrastructure and continues to contribute to higher recycling rates and a higher quality yield.

During the financial year, we continued to invest in SNRC and initiated four new recycling processes, in addition to productivity enhancements in existing lines. It is gratifying that we have deepened collaborations with a number of our customers, in order to find new, sustainable solutions together. With these focused, value-creating projects, truly exciting circular solutions are created for the benefit of all parties. The recognition of Stena Recycling as Sweden's most sustainable brand (B2B) for 2018 is a gratifying proof that we are on the right track.

In an increasingly difficult market, Stena Aluminium strengthened its strong market position during the year.

Stena Components sold its Molkom facility, in order to fully focus on improvement work at its primary site in Nybro.

In a progressively weaker market, Stena Stål continues to make more possible through customer-oriented improvement work and by focusing on quality and efficiency.



Stena Oil has delivered improved results and strengthened its position as the leading, quality-assured supplier in the Scandinavian market.

Stena Metall Finans showed very good results for the year, while delivering continued strong support to our other operations, in terms of cash management and risk factors. It continues to contribute to the overall good financial discipline of the Stena Metall Group.

The Group is firmly committed to research and development. In addition to our own R&D unit, we work closely with several universities and colleges in order to find new recycling solutions. At the Stena Nordic Recycling Center, we have created the Stena Recycling Lab, a test arena for new recycling technol-



Shredded ferrous scrap, to be exported to a steel mill in Turkey, being loaded on a ship in the port of Halmstad.

ogies and the development of new and sustainable products. This meeting place for entrepreneurs, researchers, students and companies acts as a catalyst for recycling innovation and development. Two areas of particular focus are “automation for improved recycling and safer work environments”, and “creating new products from complex waste types”.

With our New Ventures business area we have a good channel for translating new ideas into business solutions. During the year, we launched several new construction products made from recycled material, as well as a digital platform to increase the reuse of white goods, which resulted in us receiving the New Thinker of 2019 award, in the Öresund Institute’s Real Estate Award.

By working closely with the automotive industry, we are seeking to lead the way in lithium-ion battery recycling. Through research and development work, among other initiatives, we are seeking new and improved recycling solutions for vehicle batteries. We have signed agreements with many vehicle manufacturers to handle lithium-ion batteries. In addition to recycling, we are introducing a first-stage solution that uses the batteries for energy storage during the current financial year.

We have a solid foundation in our overall business acumen. While our focus on continuous improvements works with full force, we want to continue to grow. By focusing on the efficient utilization of our resources, and the resources of our partners, we see good growth opportunities for most of our operations.

At the time of writing, market conditions continue to weaken. The situation in the market for raw materials

have worsened throughout the autumn and it appears that the situation will persist through this calendar year and, perhaps, a bit into the next year. Major price fluctuations and periods of increased market uncertainty are recurring challenges that we must address. Our financial position is strong and by maintaining financial discipline, we are well equipped to handle the situation in the best possible way. However, if current market conditions persist, it will be more difficult to preserve last year’s good result.

**Anders Jansson**  
October 2019, Gothenburg

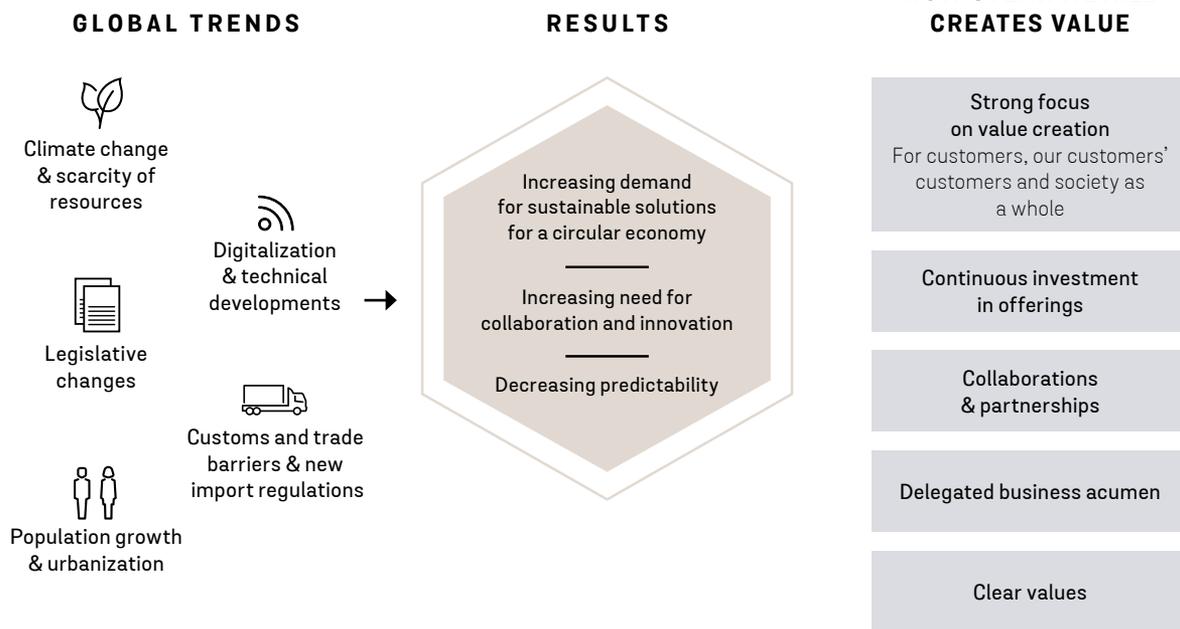
**“ I AM PARTICULARLY PLEASED WITH THE QUALITY AND CREATIVITY OF OUR RESULT-ORIENTED BUSINESS ACUMEN, WHICH GENERATES MANY NEW VALUE-CREATING PROJECTS AND COLLABORATIONS.”**

## EXTERNAL FACTORS

# NEW OPPORTUNITIES IN A CHANGING MARKET

The rate of change is high in all Stena Metall's markets. Changing customer needs, new technology, rapid digitalization and new regulations all impact business conditions. These developments have influence over offerings, business models and internal processes. They present great opportunities, as well as many challenges.

Meeting future needs and demands, requires an understanding of the wider world, identifying changes and knowing how they will affect Stena Metall. By maintaining its focus on customers and taking a proactive approach, Stena Metall can take advantage of new opportunities and develop business solutions well adapted to changing conditions.



You will find an explanation of this model on pages 16–21.





Digitalization and robotization are among the major global trends, in addition to challenges in international trade.

## EXTERNAL FACTORS

### GLOBAL TRENDS

Stena Metall's markets are affected by several major trends around the world. Among the most significant are ongoing climate change, legislative changes, increased geopolitical instability and extensive, rapid digitalization.

#### CLIMATE CHANGE AND RESOURCE SCARCITY

The consequences of climate change is one of the greatest challenges we have ever faced. Limiting the effects of this requires a reduction in the use of fossil fuels and a more efficient use of resources overall. Increasing knowledge of the direct and indirect effects resource utilization have on the climate is a spur to sustainable material recycling and the transition to a circular economy. At the same time, new technical solutions may lead to a shortage of certain raw materials, such as cobalt and certain rare earth metals for instance used in batteries and electronic products.

#### DIGITALIZATION AND RAPID TECHNOLOGICAL DEVELOPMENT

Rapid digitalization and technical development has a major impact on companies, individuals and society as a whole. Increased transparency, faster information flows, sharing services and a higher degree of automation, all lead to major changes and enable new business models. For industry, this affects every stage of the value chain, including product development, purchasing, logistics, supply of goods, offerings, marketing and customer dialogue.

#### LEGISLATIVE CHANGE

Legislation is being reviewed and adapted to support the transition to a more circular economy at both national and EU levels. The more central parts of the EU countries' joint action plan include the revised so-called waste plan, with the overall goal of reducing waste, increasing the recycling and reuse of products and components and improving waste management.

A common strategy for plastic is also being prepared, which aims to ensure that by 2030 all plastic packaging will be recyclable and that half of all plastic waste will be recycled, among other initiatives.

#### CUSTOMS DUTIES, TRADE BARRIERS AND CHANGED IMPORT REGULATIONS

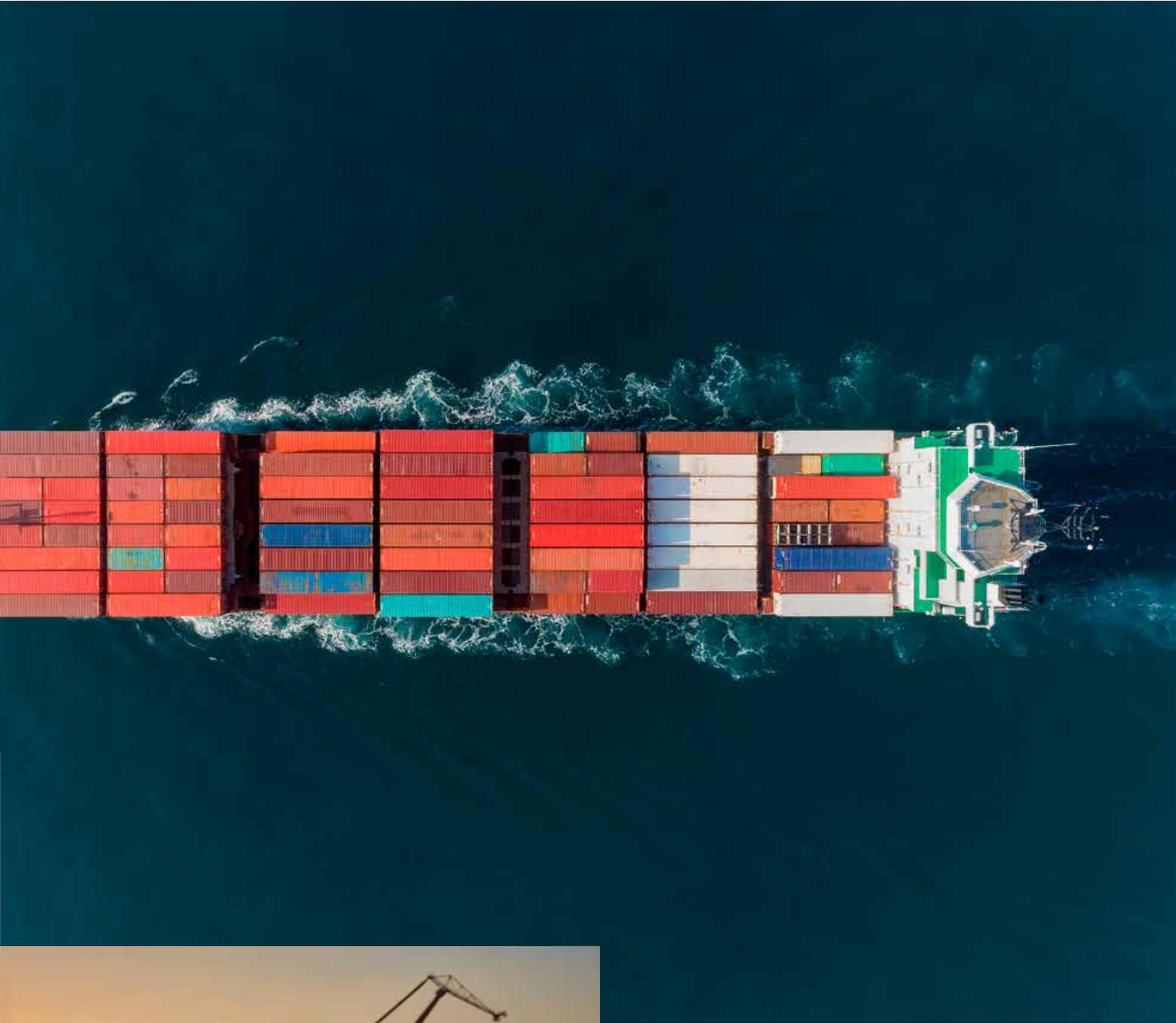
Uncertainty about Britain's exit from the EU and increased trade tensions between the US, EU and China have led to the imposition of, or threat of, customs duties and other types of trade barriers. These have, or may, affect the markets for a wide range of goods, including metals and other raw materials. The individual measures that have greatly influenced the global flows of materials for recycling include China's introduction of considerably stricter rules on imports of various types of waste. Whereas China previously accounted for around 50 percent of global plastic recycling capacity, the new rules have led to a large surplus of materials in both Europe and the United States. With reduced opportunities to export to Asia, capacity in the rest of the world need to be expanded in order to achieve its recycling targets.

#### POPULATION GROWTH AND URBANIZATION

According to UN estimates, global population will reach 10 billion by 2050, with around two-thirds living in cities. This will increase the demand for steel, aluminium, plastic and other construction materials. A growing population and economy globally means that more people will have to share the global resources. Population growth necessitates a more efficient use of the Earth's resources and circular solutions for materials.



Extensive work is under way in the EU to support the transition to a more circular economy. At the same time, the UK's planned exit from the EU contributes to market uncertainty.





## HOW STENA METALL MEETS THESE CHALLENGES

Global changes affect Stena Metall's markets in a number of ways. As well as raising demand for sustainable, circular solutions, they increase the need for collaboration, innovation and a generally reduced predictability of the future.

### GROWING DEMAND FOR SUSTAINABLE SOLUTIONS FOR A CIRCULAR ECONOMY

Increased awareness of climate change and other environmental challenges have led to greater demand for solutions that use resources more efficiently and support the transition to a circular economy. This trend is evident among companies and consumers, while being reinforced by new laws and regulations.

Recycling is at the center of a resource-efficient society and the potential to use recycled raw materials instead of virgin resources is significant. Efficient resource utilization and increased recycling are vital factors in creating sustainable conditions for a growing population and at the same time reducing our negative climate impact.

#### Stena Metall's Response

- Strong focus on value creation and circular solutions – for customers, our customers' customers and society as a whole
- Major investment in plastics recycling
- New material center for batteries
- An expanding offering in design and resource management
- Production of aluminium by recycled raw material
- High ambitions in the sustainability agenda

### INCREASED NEED FOR COOPERATION AND INNOVATION

Creating a more circular economy requires a greater degree of collaboration, between all parties in the value chain, as well as between businesses, the academic community and politicians. Through collaboration, exchange of ideas and a strong focus on innovation, it is possible to develop sustainable solutions that benefit everyone – companies, consumers and society as a whole. Digitalization and rapid technological development create entirely new opportunities, in analysis, processing, transparency and forms of cooperation.

#### Stena Metall's Response

- Close collaboration and joint development projects with customers and partners
- Wide-ranging, comprehensive research programs with technical colleges and universities
- Launch of the sustainability initiative Circular Initiative
- Participation in national and international forums and expert groups

### REDUCED PREDICTABILITY

Rapid technological development, major changes in consumption patterns, geopolitical instability and legislative changes reduce predictability and make long-term planning more difficult. The ability and capacity to change quickly is becoming increasingly important, not least for larger companies. Changing circumstances make great demands on adapted leadership, strong focus on learning, clear values and continuous assurance of the relevant skills.

#### Stena Metall's Response

- Continuous skill development and exchange of competence
- Major focus on leadership
- Clearly delegated local business acumen
- A strong business culture with common values
- Continuous dialogue with customers, industry organizations, politicians and other stakeholders
- Strong focus on optimizing and streamlining internal processes, through investment in digital initiatives and automation, among other measures



**“CHANGING CIRCUMSTANCES  
MAKE GREAT DEMANDS  
ON ADAPTED LEADERSHIP,  
STRONG FOCUS ON LEARNING,  
CLEAR VALUES AND  
CONTINUOUS ASSURANCE  
OF THE RELEVANT SKILLS.”**

# RESPONSIBLE VALUE CREATION

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The foundation of Stena Metall's value creation consists of strong, competitive offerings. Smart, customized solutions, strong focus on innovation and good internal control create value for our customers and our customers' customers, as well as our owners, suppliers, employees and society as a whole. The following pages describe value creation within the Group's different operations.



Viktoria Fagerfjäll, Head of Digital Innovation at Stena Metall, in discussion with Michael Södergren, Head of Production and Maintenance and Clas Tengström, CEO of the Tonsjö engineering company. A digital innovation project examines how production data can be used to predict when the company's different waste containers should be emptied.

## GLOBAL FACTORS

-  Climate change & scarcity of resources
-  Digitalization & technical developments
-  Legislative changes
-  Customs and trade barriers & new import regulations
-  Population growth & urbanization

## RESOURCES

-  Natural resources
-  Financial resources
-  Human resources

## OUR BUSINESS MODEL



Major focus on value creation

Continual investment in the customer offerings

Collaborations and partnerships

Delegated business acumen

Clear values

## VALUE CREATED

01

OWNERS  
Pre-tax profit – SEK 1,004 million

02

CUSTOMERS  
Efficient and more sustainable processes, value creating raw materials

03

SOCIETY  
Job opportunities, conserving resources, reducing environmental impact

04

EMPLOYEES  
Salaries, skill development, pension contributions

05

SUPPLIERS  
Compensation for goods and services

CONTINUAL INVESTMENT  
IN THE BUSINESS

# AT THE CORE OF CIRCULAR RAW MATERIAL PROVISION

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Throughout the year, we have continued to develop a wide range of services that create value for customers, our customers' customers and society as a whole. By investing in new technology, taking a proactive approach and expanding collaborations with customers and partners, Stena Recycling contributes to better resource utilization, cost savings and reduced environmental impact.



Demand for Stena Recycling's solutions and services continued to increase during the year. This led to increased volumes, as well as greater interest in tailor-made total waste management solutions and the resource optimization of production processes. Growth was good for most raw materials and especially high for plastic recycling solutions.

#### KEY ROLE IN CUSTOMERS' SUSTAINABILITY WORK

Interest in sustainability and solutions that contribute to sustainable development has risen significantly in recent years.

Resource and waste management is an important part of the environmental impact of manufacturing companies. Optimizing resource utilization helps increase profitability and reduces negative environmental impact. The Danish company, Nordsjaelland's Metalstøberi, has increased its recycling rate from 8 to more than 90 percent in the last three years as a result of its collaboration with Stena Recycling. This is partly because the 300 tonnes of foundry sand that the company sent for landfill each year is now used as raw material in asphalt production.

Our collaboration with a Volvo Trucks facility in northern Sweden is another example which has led to the more efficient handling of solvents. This solution reduces both internal and external transportation and the company now generates income from its waste, instead of paying to dispose of it.

Throughout the year, Stena Recycling has continued to play a central role in the transition to a more circular economy. Huge quantities of waste are collected, processed and delivered to manufacturers as recycled raw materials. There is considerable potential in the use of recycled raw materials as a replacement for virgin resources. Creating optimal conditions for efficient resource management requires careful consideration from the earliest stages of product development. During the year, we have expanded the services we offer in order to help customers improve their resource management processes. Rapid technological development, not least in digitalization and automation, are creating new opportunities in this area.

The Stena Resource Management concept offers services that help customers optimize resource management, throughout their manufacturing processes, from production to recycling or reuse. Analysis enables the release of hidden value in working environment improvements, time and space saving, waste reduction, reduced number of transports, among other things.

Stena Recycling has further developed its Design for Recycling service, in which it contributes knowledge to the design of new products, in order to optimize them from a sustainability and recycling perspective

#### MAJOR INVESTMENTS IN PLASTIC RECYCLING

During the year, investments in recycling of plastic continued. One example is a project that was initiated at the Stena Nordic Recycling Center in Halmstad that will enable the transformation of two waste plastic grades into recycled raw material. Interest in plastic recycling has grown significantly in recent years. This is a result of a strongly increased demand for recycled plastic in combination with a greater awareness about the negative environmental impact of plastic, stricter legal requirements and new technical solutions to recycle plastic.

#### LEADING RECYCLER OF ELECTRONIC PRODUCTS

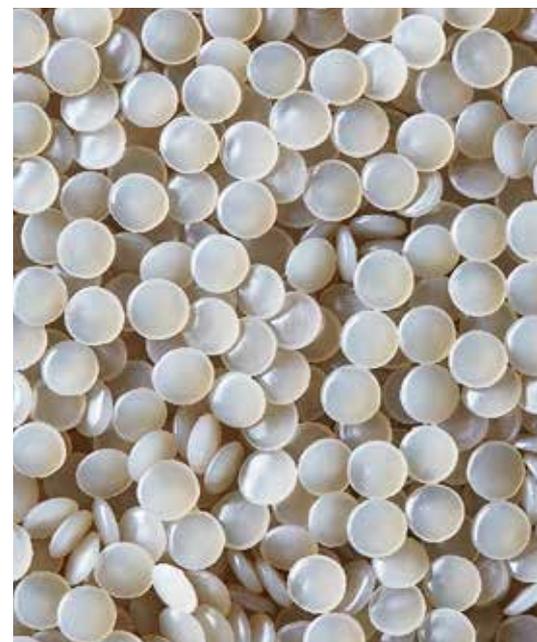
The amount of electronics waste generated has increased significantly in recent years. Electronic waste often contains quantities of precious metals and materials that can be used in new products after recycling. Stena Recycling has strengthened its position as one of Europe's leading electronics recyclers throughout the year. These operations were previously carried out by a sister company, Stena Technoworld, but were integrated into Stena Recycling on September 1, 2018.

In collaboration with producers and other operators in Europe, Stena Recycling has continued its efforts to ensure that electronic waste enters the correct waste streams. The levels of electronics reuse have continued to increase, not least in the reuse of LCD monitors, processors and batteries. In collaboration with an external operator, it's ensured that all the data stored on the products is removed in a reliable way.

#### GREAT POTENTIAL FOR CONTINUED GROWTH

Demand for sustainable recycling solutions is expected to continue increasing. Stena Recycling's target is to continue its growth, especially in markets outside Sweden. Special growth areas include, among others, plastics and electronics waste.

The new organization, that came into force on September 1 2019, means, among other things, that Stena Recycling will strengthen the conditions for collaboration around major investments, industry-specific expertise and training programs. However local business acumen will still remain vital.



#### Leaders in resource management

Stena Recycling is one of Europe's leading resource management companies. Every year, it recycles almost six million tonnes of material from over 100,000 customers in a wide range of industries. Materials such as ferrous and non-ferrous metals, plastics and paper are recycled from a wide variety of waste and end-of-life products. What cannot be recycled or reused, such as hazardous substances, is safely destroyed. The recycled materials are then sold and are used as raw materials in new products. Through collaboration with steelworks, foundries, smelters, paper mills and raw material buyers worldwide, a good disposal of the material is ensured.

In addition to recycling, Stena Recycling offers a wide range of qualified material and resource management services, internal logistics, training, statistical analysis and safety advice.

#### Extensive research and development

Rapid technical development, in combination with changing consumer patterns and new legislation, places great demand on the development of new, sustainable recycling methods, for instance in plastics recycling. Stena Recycling invests extensive resources in research and development. These projects are conducted in close collaboration with customers, universities, technical colleges and other research bodies.

Industrial plastic packaging makes up the largest proportion of the material processed at Stena Recycling's soft plastic recycling facility in Halmstad. It produces plastic pellets, seen in the smaller picture, that are used as raw material in the manufacture of plastic bags and plastic film.

# STENA RECYCLING



There was an interactive element to the Circular Initiative, which took place in Stockholm in June.

## SWEDEN

For Stena Recycling Sweden, the financial year was characterized by continued work on improving its recycling processes in order to produce purer raw materials. Growing interest in resource utilization, recycling and recycled materials, from both customers and our customers' customers contributed to the development of the business and its offerings.

There was a major focus on continued development of the Stena Nordic Recycling Center in Halmstad during the year. The facility acts as a hub for Swedish operations and also receives waste from other markets where Stena Recycling operates. Major investments included new facilities for both soft and hard plastic recycling and increased capacity for cable granulation. In addition, the establishment of a battery center was started.

During the year, several new collaborations were entered into. Among other agreements, Stena Recycling supplies recycled plastic pellets to Trioplast, one of Europe's leading producers of packaging solutions based on polyethylene film.



In parallel, the development of new circular solutions, in collaboration with Volvo Cars, SKF and Electrolux, among other companies continued.

A new aluminium center was established in Jönköping, which makes it possible to extract greater quantities of high-quality aluminium. The aluminium is delivered to a smelting plant belonging to one of Stena Recycling's collaborative partners, Hydro.

During the year, the operations in Karlshamn and Olofström were merged and moved to a site in Karlshamn. The new facility makes it possible to receive larger volumes and a wider range of materials, which strengthens and expands what the company can offer its customers in the Blekinge region.

In the Sustainable Brand Index study, Stena Recycling was presented the Most Sustainable Swedish Brand award. The Sustainable Brand Index is the Nordic region's largest independent brand study on sustainability.

## GERMANY

Stena Recycling in Germany had a major focus on ensuring production stability throughout the year. These efforts were successful and resulted in expanded capacity utilization at all facilities and increased volumes from both new and existing customers. Collaborations were further intensified with several leading refrigerator manufacturers. Stena Recycling offers its material and recycling expertise at the design phase and thereby maximizes the recycling and reuse potential of finished products.



Danish Environmental Minister, Jacob Elleman-Jensen, visited the facility in Grenå in November and Roskilde in January.

Stena Recycling in Germany is a leading recycler of refrigerators and freezers.



## DENMARK

Stena Recycling in Denmark continued efforts to strengthen its business during the year. The primary focus was on developing its offering to include services that help customers optimize every stage of their resource management – from design and production to recycling and reuse. Major investments were made in new technology that further enable and expand the company's plastics and electronics recycling.

Interest in sustainability and solutions that enable circularity has increased significantly in recent years. Stena Recycling in Denmark is one of 21 industrial companies selected to undertake projects that are aligned with the UN's Global Sustainability Goals. These projects continued to generate interest from customers, potential customers, the media and other stakeholders throughout the year.



Disassembling parts of an oil rig at Stena Recycling's facility in Stavanger.

## NORWAY

Stena Recycling Norway continues to grow and increase its market share. Over many years, the company has held a leading position in recycling services for the offshore industry and is currently focused on the reuse potential of material from demolition projects. Its operations and customer base have expanded in recent years and now include a broad spectrum of customers in many different industries.

During the year, the company renewed its contract with Oslo Lufthavn. Competition on the contract was fierce and the company's ability to offer electric truck transportation was an important factor in retaining the contract. These 50-tonne trucks have been used with great success for other customers in the Oslo region.

Other major projects included a contract with Statnett to recycle material resulting from the replacement of the electricity grid on Sörlandet – an assignment that will involve recycling large quantities of iron, steel and aluminium.

During the year, extensive efforts were made to further increase efficiency in both production and sales by employing the Group-wide, lean-inspired programs, Stena Way of Production (SWOP) and Stena Way of Sales (SWOS).

## POLAND

In Poland, the demand for more complex recycling and waste management services continued to increase during the year.

This development is primarily driven by increased interest in sustainability issues from both industry and consumers. In addition, stricter legislation in waste management processes and waste storage has increased demand for professional waste handling.

In close collaboration with customers, active work was carried out during the year to move materials higher in the waste hierarchy and, thereby, create new value. Investment was made in a new precious metal recycling (PMR) facility, in order to develop the company's offering, among other measures.



Paper handling at Stena Recycling's facility in Warsaw.

## ITALY

Stena Recycling Italy showed positive development during the year, with significantly increased volumes and an improved market position overall. The main focus was on further integration of its recently acquired operations outside Modena. This has resulted in increased market presence and a broader customer offering, primarily for customers in northern and central Italy. Integration has brought great benefits by increasing capacity and improving internal efficiency. Among the benefits are a significantly higher capacity in the recycling of electronics and precious metals. During the year, Stena Recycling Italy became ISO 9001, 14001 and 18001 certified. At the same time, its operations were revised in accordance with CENELEC standards. These efforts are aimed at securing WEEE certification, including aspects as health, safety, quality and environmental work.



In collaboration with the municipal company, HSY, Stena Recycling collects metals, batteries and hazardous waste from municipal recycling stations in Helsinki.

## FINLAND

Despite major challenges of a weak domestic economy, falling raw material prices and a severe winter, Stena Recycling strengthened its position in Finland during the past year and both volumes and market share increased.

The company focused intensively on establishing a new organization and implementing new, company-wide processes – characterized by delegated and local business acumen. These efforts resulted in strengthened customer offerings.

While operations have historically been focused on ferrous and non-ferrous metal recycling, the goal is to broaden and diversify, not least within the areas of hazardous waste and electronics. At the same time, services in the Helsinki area are being expanded, through investments in complementary facilities, among other measures.



Khalad Abdelghani pre-treating and decontaminating electronic waste at Stena Recycling's facility in Angari.

# LEADERS IN ALUMINIUM RECYCLING

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For Stena Aluminium, the past year was characterized by the continued development of solutions that enable circular processes. A major focus was also on developing new and existing customer partnerships in order to expand its supply of 100 percent recycled aluminium for component manufacturing in the automotive and other industries.



**Major environmental benefits in aluminium recycling.** Producing aluminium from virgin raw material, in the form of bauxite, consumes large amounts of energy. Aluminium produced by recycling can reduce energy consumption by around 95 percent. In principle, aluminium is infinitely recyclable without losing any of its properties. Aura Popescu is responsible for indirect purchasing, here pictured at Stena Aluminium's warehouse.



Globally, growth slowed in the aluminium industry during the year. This was primarily due to lower demand from the automotive and electronics sectors. However, long-term projections for aluminium demand, especially recycled aluminium, remain positive. Aluminium is light, strong and doesn't rust, which makes it ideal in a wide range of applications. Aluminium can also be recycled an infinite number of times.

#### **CIRCULAR PROCESSES AND REDUCED CARBON DIOXIDE EMISSIONS**

Producing recycled aluminium generates salt slag, which consists of salt and aluminium oxide. In collaboration with one of its partners, Stena Aluminium can separate these constituent elements. The salt goes back into the process, while the aluminium oxide is sold and used as raw material in other industrial applications. The salt slag was previously transported by road for processing in Germany but, from the fall of 2018, has arrived by rail, leading to a transport-related reduction in carbon dioxide emissions of around 70 percent.

During the year, Stena Aluminium received an extension to its environmental permit that allows it to receive waste arising from the production of aluminium from virgin resources. Its aim is to offer primary aluminium producers in the Nordic countries environmentally sound, effective and logistically efficient waste recycling.

#### **DEMAND FOR LIQUID ALUMINIUM CONTINUES TO INCREASE**

Although most of the raw material it produces is supplied as ingots, the company also offers aluminium in liquid form.

In addition to the financial benefits for its customers, this reduces both energy consumption and carbon dioxide emissions. Demand for liquid aluminium has increased by more than 20 percent over the past two years.

#### **SUBSTANTIAL REDUCTIONS IN ENERGY CONSUMPTION**

Extensive work is being carried out to ensure energy efficient production, both within the company and in collaboration with partners. In recent years, improvement work has contributed to a reduction in energy consumption for every tonne of aluminium produced. As an example electricity consumption between 2016 and 2018 was reduced by around 13 percent. A long-term strategy was adopted during the year to phase out the use of fossil fuels.

Supplying excess heat to the district heating system in Älmhult was ceased during the year. This is due to the Swedish Government's interpretation of the EU emissions trading scheme (ETS). In this context, heat recovery is classified as an emission and would, therefore, represent an economic loss for Stena Aluminium. Over many years, the company has tried to bring about a change in these regulations, or an exemption, without success.

#### **INVESTMENT IN CONTINUED GROWTH**

Stena Aluminium's aim is to continue to grow with its customers and increase its market share. Therefore, a significant upgrade of the production facility in Älmhult was decided during the year. This remodeling and extension project will be carried out over several years, with the first stage initiated in the summer of 2019.

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#### **The Nordic countries' leading producer of recycled aluminium raw material**

Stena Aluminium is the Nordic region's leading producer of aluminium by recycling. Through close and long-term partnerships with customers, high-quality aluminium alloys are produced in energy-efficient processes. In addition to producing recycled aluminium, the company offers technical support, consulting services and training in metallurgy, construction and sustainable business solutions. Its major customers are foundries in northern Europe, who primarily supply component manufacturers in the automotive and engineering sectors. Its operations are conducted in Älmhult, with a sales office in Kolding, Denmark.



Cross section of a HEA beam, one of the products in Stena Stål's wide range.

# EXPANDED OFFERING AND INCREASED ACCESSIBILITY

The last year saw Stena Stål continuing its investment in e-commerce and expanding its offering with new services, among other initiatives. At the same time, a major investment was undertaken in Värnamo that, in the long term, will bring even greater opportunities in the production of steel products that meet specific customer needs.



The new Kallebäck tower, in Gothenburg, was constructed with steel reinforcing supplied by Stena Stål.

Development of Stena Stål's e-commerce solution continued throughout the year, adding more product categories and greater functionality. Since its launch in 2017, the number of customers using this solution has increased significantly. In addition to its own inventory, it offers direct access to the product catalogs of several leading European partners, which provides the widest range of online products on the market.

#### INCREASING CUSTOMIZATION OPPORTUNITIES

During the year, a major investment was made in the sales and service center in Värnamo, where much of the processing work on special steel is carried out. As well as investment in the property itself, production lines and equipment were upgraded, while processes and work models were reviewed. These measures will result in increased accessibility and greater opportunities in the customization of steel products.

#### ENCOURAGING SUSTAINABLE PURCHASING

The active sustainability work within Stena Stål aims to further reduce energy consumption, greenhouse

gas emissions and waste. During the year, several steps forward were taken in all these areas. For example, a new agreement was made for the supply of source-marked hydroelectricity to all the company's facilities, while the production facility in Västerås switched from oil to district heating.

Alongside its internal improvement work with continuous improvements, Stena Stål also aims to encourage its customers to pursue sustainable purchasing behaviors. By offering combined deliveries, it is possible to optimize transportation and reduce emissions. Several optimization campaigns were carried out to encourage the purchase of set, rather than customized, lengths, in order to minimize waste.

#### VOLATILE MARKETS

In recent years, generally strong market conditions led to high demand for many types of steel. Over the last twelve months however, certain market segments slowed down, among others, the construction industry, although the slow-down are from previously high levels.

#### Wide range and high level of service

Stena Stål supplies different types of steel products to customers in Sweden and Norway. Through close collaboration with leading steel producers, a wide range of products are offered, including beams, merchant bars, pipe, reinforcing bars, sheet, stainless and special steel, as well as aluminium. Its customers are mainly small and medium-sized construction and industrial companies. With its own warehouses and integrated logistics solutions, it ensures accessibility and reliable delivery.

In addition to its wholesale business, it also carries out the pre-treatment of steel products to customer specifications, either in-house or in collaboration with its partners. Among other services, it offers cutting, slitting, blasting and painting.

## PREPARING FOR THE FUTURE

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For Stena Components, the past year was to a high degree characterized by the sale of its operations in Molkom, further investments in e-commerce and introduction of more efficient production technology, in both plasma cutting and machining. Overall, these initiatives will increase accessibility and further strengthen the customer offerings.

One major project during the year saw the manufacture of components for specially-designed containers used to store demolition material from Oskarshamn's nuclear power plant. To meet current requirements and prevent radiation, the walls need to be up to 15 centimeters thick. Handling and machining sheet steel of this size makes extra demands on expertise and equipment.

### INVESTMENT IN PRODUCTION OPTIMIZATION

As part of the development of Stena Components, its operations in Molkom were sold during the year. Instead, the company's focus is on developing and further strengthening its operations in Nybro.



Producing high-precision industrial components to customer specifications is at the core of Stena Component's operations.

Among other measures, major investments were made in technology, not least in new, more efficient plasma cutting and advanced machining equipment. By increasing the degree of automation in manufacturing processes, resources can be freed up and used for more complex tasks. These initiatives will also lead to increased opportunities to manufacture components in longer series, primarily for large customers in the automotive and manufacturing sectors.

Digitalization is also offering new opportunities in sales. The development of a web-based sales channel, launched in the fall of 2019, will streamline the sales process and provide access to new customer groups.

#### **Supplying any stage of production**

Stena Components offers workshop expertise at an advanced level and customized steel components. In close cooperation with its customers, continuous development work is carried out on manufacturing processes and services – in order to meet the needs and challenges of the market.

#### **High delivery reliability and short lead times**

Stena Components can deliver at any stage, from raw materials to fully finished products, and throughout the process, from drawing, production and machining to finishing and distribution. Its machine park has the capacity for advanced, customer-specific processing work, enabling high delivery reliability and short lead times. Its operations are conducted in Nybro, with customers primarily in the Swedish and Nordic industrial sectors.

#### **Licensed dealer of Toolox**

Stena Components is the only licensed reseller of Toolox, a machine and tool steel manufactured by SSAB. Toolox comes pre-hardened and ready to use, with guaranteed, measured properties. Stena Components and SSAB collaborate closely on both marketing and technological development.

## READY FOR IMO 2020

For Stena Oil, the past year was to a large extent about continued preparations for the new international sulfur directive, which will take effect in 2020. As an important step towards this, work continued on the new marine fuel terminal in Frederikshavn, which will be operational by the end of 2020.



Ina Berntsson, Able seaman on the bunkering vessel Fox Sunrise, prepares for bunkering a vessel in Karlskrona's harbor.



The new regulations have major consequences for basically the entire shipping industry, as the permissible sulfur content of marine fuel will be reduced from 3.5 to 0.5 percent. Meeting the conditions of the directive requires transition to low-sulfur marine fuel or alternatives, such as LNG or methanol. Additionally the regulation allow the continued use of high-sulfur fuel if so-called scrubbers have been installed, which clean exhaust gases. The majority of vessels around the world are expected to switch to low-sulfur fuels.

For bunkering companies, the new legislation necessitates access to low-sulfur alternatives, as well as the adaption of processes and flows in order to handle a greater number of fuels types. In recent years, Stena Oil has worked actively on adapting its operations in order to meet the new requirements.

#### NEW BUNKERING VESSEL UNDER CONSTRUCTION

As a result of the new regulations, bunkering ships will need to carry a greater number of fuel types. In order to meet this need, Stena Oil has commissioned the building of a new vessel, that will be delivered in the spring of 2020. The new ship will be equipped with 11 bunker and two slops tanks. It will be considerably larger than other vessels in the fleet and be able to offer a higher level of service, as it will not need to return to port as often.

#### NEW TERMINAL IN FREDERIKSHAVN

During the year, work continued on Stena Oil's new marine fuel terminal in Frederikshavn. This will be operational by the end of 2020 and be fully adapted to the new Sulfur Directive. With 300 meters of quay-side space, a capacity of 75,000 cubic meters and the ability to handle all types of marine fuel, the terminal will become the largest of its kind in Scandinavia. The design of the terminal will result in significantly increased flexibility and allow rapid fuel deliveries to vessels in the Skagerrak and Kattegat. This location is closer to where most of the company's bunkering occurs, which will result in fuel savings and reduced emissions.

#### EMSA COLLABORATION

The terminal in Frederikshavn will also be Stena Oil's base for its assignments for with the European Maritime Safety Agency (EMSA). As part of the agreement, the company is obliged to respond rapidly with a vessel equipped for oil spills in Scandinavian waters and the southern Baltic. Once in Frederikshavn, Stena Oil will be ideally located to respond to emergencies in the heavily trafficked waters of the Skagerrak.

#### Leaders in Europe

Stena Oil is northern Europe's leading supplier of bunker oil and total marine solutions for vessels in Skagerrak, Kattegat and the North Sea. With its own trading department and access to five chartered bunkering vessels, it can make efficient deliveries at any time.



A new bunkering vessel, fully adapted for the new sulfur directive, will be delivered in the spring of 2020.

Loading of pig iron in the port of Rio de Janeiro. This product comes from suppliers in Minas Gerais, Brazil and will be delivered to industrial customers in Taiwan. This is a typical example of Stena Metal Inc. linking sellers and buyers in the global market.



## LONG-TERM, STABLE PARTNERSHIPS

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Stena Metal Inc. continued to grow during the past year. In some markets, trade policy decisions contributed to increased volatility but, overall, the market remained relatively stable.

Stena Metal Inc. made good progress during the year, in terms of both sales and profitability. A number of new, important customers were added, though a relatively small number of customers and suppliers still account for the majority of sales. Relationships with several of these customers are measured in decades.

Although the business model is still primarily based on traditional trading, an increasing number of transactions are conducted with full transparency between buyers and sellers. Stena Metal Inc. helps manufac-

turers initiate and maintain contact with buyers and facilitates logistics, transportation and financing, in order to simplify transactions between all parties.

The company's core business consists of selling pig iron, mainly from suppliers in Brazil. Scrap metal, from the Group's Scandinavian companies, is also sold, in collaboration with Stena Metall International. The majority of its customers are located in Southeast Asia and North America, although Stena Metal Inc. also does business in Europe and Latin America.

### International trade

Stena Metal Inc. is Stena Metall's international trading company. Its head office is in Southport, Connecticut, USA.



# ENSURING THE GROUP'S LONG-TERM FINANCING

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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 Stena Metall Group's external financing is conducted through the bond market and banking system. During the financial year, an unused syndicated revolving credit facility of SEK 1,000 million was extended. The maturity date is September 2022, with an extension option of one year.

During the financial year, a number of efficiency projects were carried out in cash management. The common feature of all these projects is that they both increase security and reduce costs. A great deal of work has also been carried out in credit management. Today, a very large proportion of the Group's sales are either credit insured or secured by other means, for example through letter of credit or prepayment.

## CURRENCY RISK MANAGEMENT

The Stena Metall Group always aims to finance its operations in the corresponding currency. Trade receivables and trade payables, which involve currency risks over time, are hedged continuously through forward foreign exchanges, 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:

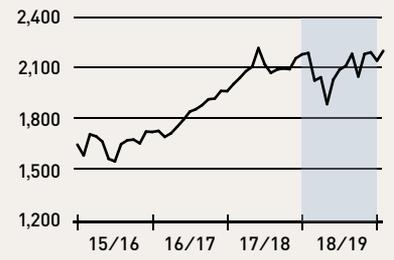
- Responsibility for the Group's cash management
- Contributing to short and long-term Group earnings by efficiently managing the Group's liquid assets
- Monitoring financial markets
- Balance risk levels in the Group's customer credits and managing the credit portfolio
- Ensuring the Group's access 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](https://stenametall.se/investor-relations)

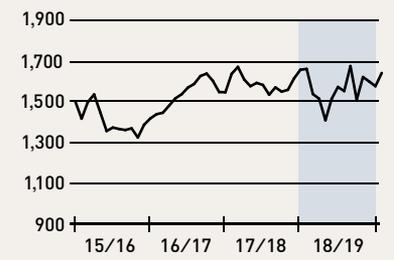




MORGAN STANLEY WORLD INDEX, USD\*



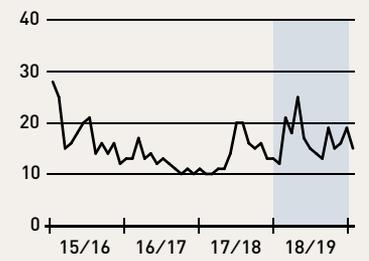
STOCKHOLM STOCK EXCHANGE OMXS30 INDEX\*



EXCHANGE RATES\*



VIX, VOLATILITY INDEX\*



\*All graphs on this page refer to prices during the period September 1, 2015 through September 17, 2019. All graphs refer to monthly figures. Sources: MBR and Stena Metall.

# SUSTAINABILITY – THE BASIS OF BUSINESS DEVELOPMENT

The sustainability work within Stena Metall covers many areas. The Group's greatest contribution to sustainable development is providing solutions that increase the recycling and reuse of resources. Extensive internal work is carried out to continuously minimize direct and indirect impact on the environment. The work is conducted at Group level and within its subsidiary companies, as well as in collaboration with other stakeholders.

## FOUR FOCUS AREAS

Stena Metall divides its sustainability work into four focus areas: Value Creation, Resource Efficiency, People and Culture, Responsible Relationships. This structure clarifies the focus and supports Stena Metall's companies in the sustainability work. Each area has a strategic approach, a number of ambitions and key figures that guide its development and measure its improvement.

All subsidiary companies have a clear responsibility to create concrete objectives and activities within this framework. During the last financial year, work continued to align Stena Metall's sustainability work with the UN's Global Goals. Areas in which the Group can most successfully achieve these objectives have been identified and work will continue on determining specific activities that will help achieve them.

### VALUE CREATION

Strong offerings and a concerted focus on innovation provide the foundation of Stena Metall's value creation. Through close collaboration with customers, continuous investment in research and development, new technology and efficient processes, value is created for customers, partners, owners and society as a whole.



Read more on pages 40–41

### RESOURCE EFFICIENCY

For several years, Stena Metall has been carrying out structured improvement work. Its goal is to continuously improve resource efficiency, in order to reduce its impact on the climate and the environment. It focuses on continuous improvement and harmonized working methods.



Read more on pages 42–43

### PEOPLE AND CULTURE

The success of the Stena Metall Group depends on committed employees with the right knowledge and skills to develop its operations. Its business is founded on common core values, delegated leadership and business acumen, as well as a commitment to continuous skill development and safe, secure working environments.



Read more on pages 44–45

### RESPONSIBLE RELATIONSHIPS

Stena Metall aims to promote positive change and responsibly contributes to sustainable development. It seeks to benefit its customers, other partners and society as a whole by focusing on the values in its code of conduct, maintaining a local presence and conducting open dialogue with the outside world.



Read more on pages 46–47

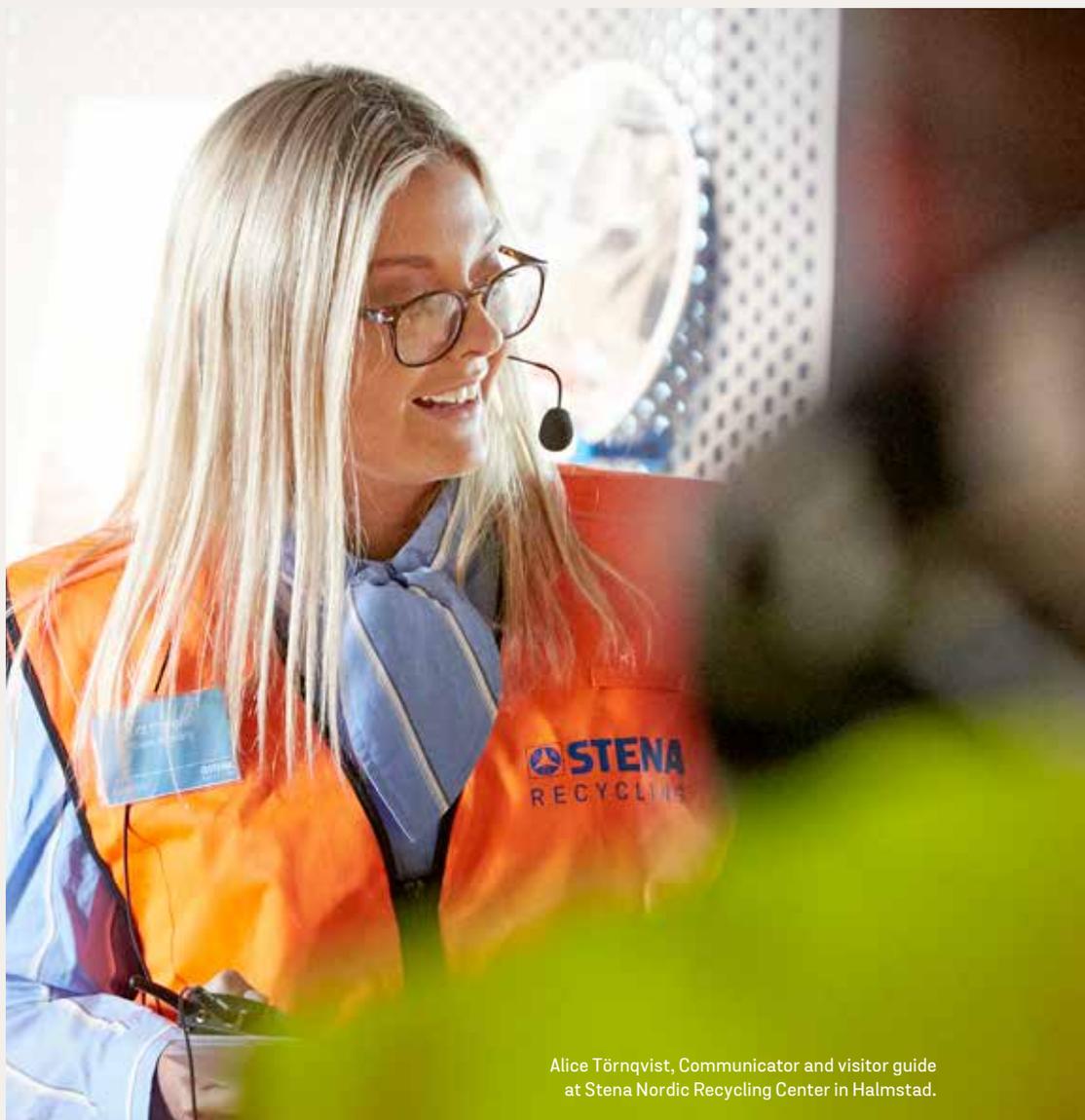
## ABOUT THE REPORT

This is the Stena Metall Group's third sustainability report. It describes sustainability work carried out during the 2018/19 financial year by Stena Metall AB and its wholly-owned subsidiaries. Its previous report was published in November 2018. The Group's operations are divided into seven business areas and operate from 200 locations in ten countries. The sustainability report complements the Group's financial reporting by describing its ambitions, strategy, governance, risk and opportunity assessment from a sustainability perspective. Stena Metall publishes its sustainability report once a year and reports in accordance with GRI Standards Core, as well as its own indicators (see pages 58–59). The full GRI index can be found on pages 54–57. The Group also refers to the UN Global Goals, the principles of the Global Compact and uses the GHG Protocol for emissions calculations.

This GRI and statutory sustainability reports are submitted by the Board of Stena Metall AB but do not form part of its formal annual reporting documents. According to a decision made by the Board of Directors in 2018, its financial statements and the sustainability report are to be reviewed by an external party. The report, including the statutory sustainability report, covers pages 12–21 and 38–60. Unless otherwise stated, the information refers to the whole Stena Metall Group, including its subsidiary companies.

### GRI Standard – information and description

102-12	External initiatives
102-45	Entities included in the consolidated financial statements
102-48	Restatements of information
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



Alice Törnqvist, Communicator and visitor guide at Stena Nordic Recycling Center in Halmstad.



Mariusz Fol, Forklift operator at Stena Recycling's branch in Warsaw.

# VALUE CREATION

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Strong offerings and a concerted focus on innovation provide the foundation of Stena Metall's value creation. Through close collaboration with customers, continuous investment in research and development, new technology and efficient processes, value is created for customers, partners, owners and society as a whole.

The utilization and management of resources is vitally important to the development of a circular economy. By developing efficient processes and innovative solutions, in collaboration with customers and partners, Stena Metall creates value that contributes to increased competitiveness and reduces environmental impact.

## SOLUTIONS FOR A CIRCULAR ECONOMY

Within the Group, value creation differs depending on the type of business conducted. Stena Recycling's services help create sustainable value and long-term profitability for customers and partners. The goal of the business is to maximize the value and resource-efficiency of customers' waste products and to increase the proportion of them that can be used as new raw materials. Efficient and innovative resource management strengthens customers' sustainability work, increases profitability and aids the transition to a more circular economy.

Stena Aluminium, Stena Components, Stena Stål, Stena Oil and Stena Metal Inc. create value for customers primarily through the provision of high-quality products and services and high-level accessibility, as well as the ability to adapt to specific customer needs.

## FURTHER INVESTMENT IN PLASTIC RECYCLING

Through investment and a strong focus on innovation, Stena Recycling continued its efforts, during the year, to increase the recycling rate of several materials. Among other initiatives, it developed processes that increase plastic recycling. In the fall of 2018, a new facility for soft plastic (LDPE) recycling was completed in Halmstad. In the spring of 2019, the company began recycling pure hard plastics from electronic waste, including waste from vehicle ABS systems.

Several new collaborations were also initiated during the year, including one with Trioplast. Plastic waste is processed into pellets at the Stena Nordic Recycling Center and used by Trioplast to manufacture carrier bags, among other products.

## NEW MATERIAL CENTER FOR BATTERIES

Different types of material require processing in different ways. In order to expand its knowledge of individual material types, Stena Recycling has created a number of specialized material centers. Expertise is concentrated at the material centers about the inherent qualities of each material type, as well as logistical and technological knowledge. During the past year, a battery center was set up in conjunction with the Stena Nordic Recycling Center in Halmstad. Demand for battery recycling expertise has grown significantly in recent years, not least as a result of increased electric vehicle sales. Stena Recycling's aim is to be a leading recycler in this area.

## INCREASING DEMAND FOR CONSULTATION SERVICES

Minimizing waste and maximizing recycling rates, requires careful consideration at every stage of manufacturing. During the year, Stena Recycling continued to expand its resource management services, which offer customers advice and support throughout the manufacturing process. Examining waste and material handling can release hidden value in working environment improvements, waste minimization, time and space savings and transport optimization, among other things. The Design for Recycling service increases the recycling potential of products and reduces environmental impact throughout their life-cycle by offering advice at the design phase.

## DRIVING CHANGE IN THE SHIPPING INDUSTRY

A major challenge in shipping is the conversion to low sulfur content fuel by 2020, as demanded by new international regulations. Introducing new fuel types, as well as the infrastructure to transport and store them, requires major investment. Stena Oil is creating value for the shipping industry by driving the restructuring process. In collaboration with oil companies, it is developing fuel types that comply with the regulations and investing in new vessels and terminals.

## UNIQUE RESEARCH

Value creation is built on the Group's extensive research and development work. Research projects are carried out in collaboration with customers, universities, technical colleges, and other partners. This network has established unique expertise in the recycling and reuse of a wide range of materials.

Stena Metall also runs a range of competence centers in collaboration with different partners. These include the Waste Refinery and Competence Center Recycling that focus on finding material recycling and energy recovery methods for materials that cannot yet be recycled cost effectively.

Since 2007, Stena Metall has funded a professorship in industrial material recycling at Chalmers University of Technology in Gothenburg. This investment has created an interdisciplinary center of excellence and research center that gathers waste researchers from all over Sweden. One of the projects is conducting extensive research into lithium-ion battery recycling.





Our own laboratories contribute to the Stena Metall Group's ability to create value for customers and partners. Kerstin Kolmodin is the Laboratory manager within Stena Recycling's hazardous waste operations.

#### STRATEGIC APPROACH

Our investment in business development and research to develop new products and services will create value for our owners, customers, partners, and society as a whole, and promote the development of a more circular economy.

#### EXAMPLES IN 2018/2019

- Green Bond issue
- Battery research
- Research in critical raw materials, such as cobalt and neodymium
- Plastic project
- Ash recycling – LIFE Halosep
- Reuse of electronic products, white goods and batteries
- The Stena Recycling Lab
- Technological investments at facilities
- Recycled dross used in steel production
- New product: REPUR Cement
- College collaboration in automation
- Recycled materials used in construction

#### AMBITIONS

- Lead innovation and development in order to improve material efficiency and increase recycling and reuse rates
- Lead innovation and development in order to expand and improve the range of products and services for customers
- Create innovative solutions and exchange knowledge by expanding collaboration with customers
- Increase customer satisfaction

#### KEY PERFORMANCE INDICATORS

Recycling rates  
102-43 Customer satisfaction  
102-7 Scale of the organization

#### MATERIAL TOPICS

Customer satisfaction and quality  
Recycling levels  
Innovation  
Profitability and investment  
Research and development  
Partnerships  
Services that promote a circular economy

#### GLOBAL GOALS

We contribute to the following targets:  
8.2, 8.4, 11.6, 12.2, 12.5, 17.17



# RESOURCE EFFICIENCY

For several years, Stena Metall has carried out structured, long-term improvement work on optimizing its consumption of resources and minimizing the climate impact of all its operations.



Transportation accounts for a high proportion of Stena Metall's total climate impact. In all its operations, structured work is carried out to optimize transportation and resource flows. The goal is to successively reduce emissions for every tonne of material transported. Optimizing transportation between facilities offers the greatest opportunity to reduce transportation in the value chain. Stena Recycling Sweden has reduced emissions, per tonne of material transported, by improving the planning and coordination of cargo shipments and increasing its minimum requirements for haulage contractors. Between 2008 and 2030, the company aims to reduce CO<sub>2</sub> emissions from its own vehicles and machinery by at least 85 per cent (in accordance with TTW -Tank to Wheel - calculations). By 2030, all its transportation, including subcontracted vehicles, will use fossil-free fuel.

Many Stena Metall companies have developed initiatives to replace road with rail transportation where possible. In recent years, Stena Aluminium implemented a logistics solution that has meant a large proportion of its goods can now be transported by train. Stena Recycling is working to increase the proportion of material it transports by rail, as well as combining loads to reduce overall transportation. Work is also being carried out to eradicate the use of fossil fuels in vehicles and machinery. Stena Recycling Norway, for example, has used electric trucks to transport material in the Oslo region since 2017 and Stena Recycling Denmark has invested in an electric crane.

As transportation to and from customer sites is largely dependent on their needs, it is more difficult to make improvements in the short-term. However, several initiatives are being undertaken to make improvements. Stena Stål, for example, is conducting a project that aims to optimize the sustainability of its ordering procedures, by encouraging its customers to make less frequent, larger orders, and combining shipments from several suppliers. These measures minimize transportation, which reduces overall carbon dioxide emissions and climate impact.

Ensuring that Stena Oil's fleet is used in the most efficient way requires logistics planning and eco-driving, whenever sea conditions and customer requirements allow. After bunkering, Stena Oil vessels can return to port with their customers' slops and sludge, which are cleaned by Stena Recycling. The purified water is returned into circulation, while the oil is reused.

## FACILITIES AND TERMINALS

The location of facilities and terminals also helps to optimize efficiency. The Stena Nordic Recycling Center's location in Halmstad enables the efficient flow of materials from all Stena Recycling's markets. Its proximity to good road and rail connections, as well as Halmstad's port, makes it an ideal recycling hub. Similarly, Stena Oil's new terminal in Frederikshavn will bring it closer to its customers and reduce transport-related emissions. The addition of a larger, more flexible and fuel-efficient vessel is also expected to result in cost and environmental benefits.

## INCREASED USE OF RENEWABLE ENERGY

In recent years, there has been a determined effort within the Group to increase the use of energy from renewable sources at production facilities and its offices.

Since 2016, Stena Recycling Sweden has used hydroelectricity. During the past year, Stena Stål has also signed new agreements for hydroelectricity, including the operations previously conducted by Stena Technoworld, meaning that the majority of facilities within Stena Metall are now powered by electricity from renewable energy sources.

During the year, Stena Stål's production facility in Västerås converted from oil to district heating, which significantly reduced its CO<sub>2</sub> emissions.

## WATER RECYCLING AT PRODUCTION FACILITIES

In recent years, most Group companies have implemented measures to reduce their water consumption. Stena Aluminium has renovated water pipes, while Stena Components has installed equipment to clean



Stena Stål is conducting a project that aims to optimize its ordering procedures, by encouraging its customers to make less frequent, larger orders, and combining shipments from several suppliers, thereby reducing the total number of transports.

and recycle cutting fluids. Stena Recycling in Denmark has established a new water treatment system at its facility in Roskilde. The Group's Finnish fragmentation facility and the Stena Nordic Recycling Center have reduced their intake of mains water by collecting and using rainwater. Stena Recycling Poland has conducted a study with the aim of recycling 100 percent of the water used at its fragmentation facility.

**RECYCLING RATES**

Increasing recycling rates also improves the Group's resource efficiency. Continued investment at the Stena Nordic Recycling Center, during the year, resulted in improved soft plastic recycling, increased recycling rates for metals and new equipment for cable granulation. Stena Aluminium works actively to improve its recycling capabilities. This year, it gained a permit to receive waste from primary

aluminium smelters (producers that use virgin raw materials), including spent potlining and dross.

**STRUCTURED WORK FOR CONTINUOUS IMPROVEMENT**

Important factors in the Group's improvement efforts are the lean-inspired programs used in its operations – Stena Way of Production (SWOP), for production facilities, and Stena Way of Branches (SWOB), for branch operations. These focus on continuous improvements through harmonized working methods. As a result, the Stena Metall Group has become a safer and more cost effective organization with a greater capacity to learn.

While the methodology of these programs is constantly evolving, all Stena Recycling's facilities were given base level approval this year.

**STRATEGIC APPROACH**

We will ensure that our processes and operations are energy and resource efficient and continuously work to reduce our direct impact on the environment.

**EXAMPLES IN 2018/19**

- Mapping energy consumption and efficiency measures
- Stena Way of Production/Branches
- Logistics projects and electric trucks
- New bunkering vessel
- Runoff water investments
- Sensors in waste containers
- Investments at SNRC
- Increased use of renewable electricity
- Customer campaign for combined steel deliveries
- Investments in plasma cutting

**AMBITIONS**

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

**KEY PERFORMANCE INDICATORS**

- 306-2 Waste by type and disposal method
- 302-1 Energy consumption
- 302-2 Emissions
- 303-1 Water use

**MATERIAL TOPICS**

- Energy consumption and reduced climate impact
- Transportation
- Water consumption
- Production facilities

**GLOBAL GOALS**

We contribute to the following targets: 6.3, 6.4, 7.3, 9.4, 12.4, 12.5



# PEOPLE AND CULTURE

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The success of the Stena Metall Group depends on committed employees with the right knowledge and skills to develop its operations. Its business is built on delegated business acumen and common values, as well as safe and secure working environments, continuous skill development and delegated leadership.

Some of Stena Metall's operations involve potential risks to individual employees. Therefore, continuous work is carried out to limit the risk of accidents and injuries. It is a Group-wide goal that no accidents should occur at its workplaces. Systematic safety and working environment measures are undertaken, which include risk identification, risk prevention and continuous monitoring. Physical, social and organizational workplace issues, form an integral part of the day-to-day operations of all Group companies.

During the year, systematic work to develop and implement systems and processes that support Stena Metall's safety work continued. This work is governed by Group-wide policy guidelines and minimum requirements. Initiatives, such as Take Five, Safety Walks and Time Out for Safety, aim to create a culture of safety awareness. Workshops are also conducted, that use the Nordic Occupational Safety Climate Questionnaire (NOSACQ – 50), which encourage further engagement in safety work.

## GENDER EQUALITY AND DIVERSITY

Stena Metall strives for even gender distribution in its operations, in both senior positions and among its manual employees. Its stated objective is that both genders should be represented among the final candidates in all recruitment processes. During the year, several companies within the Group created strategies that will form the basis of their gender equality work. Stena Components has placed extra focus on this issue, raising the proportion of women within the company from 4 to 15 percent.

Stena Metall works actively to employ a diverse workforce. It benefits from the creativity and added value that diversity brings to the organization and recognizes that this aids development and the ability to innovate. Diversity is, therefore, an important focus area and is considered in all its recruitment processes. Group companies also seek to further develop an inclusive workplace culture, through leadership training and workshops.



Tarja Repo, Ilpo Kemppinen and Ari-Pekka Ahonen at Stena Recycling in Lahti, Finland.



Hitomi Lorentsson, from Stena Recycling's research and development department, and Hans Qvirist, project manager, in dialogue with Martin Björnholm, business developer at ABB, and Johan Gunnarsson, CTO Combitech. During the year, they were involved in an automation project to make recycling of electrical products more efficient.

## COMPETENCE DEVELOPMENT

Competition for talented, experienced and committed employees is high. Stena Metall's ability to identify, attract and retain employees with the right skills and attitude is vital to its continued success. It aims to attract the best employees by offering favorable employment terms, conditions and benefits. It also offers good opportunities to develop skills and stimulating, safe and healthy working environments. In addition to external recruitment, work is also carried out to enable internal mobility and career development.

### DEMAND FOR NEW SKILLS

Rapid technological development and changing consumption patterns mean that Stena Metall employees sometimes need to retrain. Automation is eliminating the need for some manual tasks, while the demand for other types of competence, not least in technology, is increasing. The Group's internal training programs aim to address these requirements by helping its staff learn new skills, while some positions will need to be filled by external recruitment.

### VALUES AND CULTURE

Stena Metall's business culture is built on the values described by its principal owner and Chairman of the Board, Dan Sten Olsson, in his book, Principles, Convictions and Basic Values for Stena Metall AB. It is also supported by the Group's core values – Simplicity, Reliability and Development – and its code of conduct. These values determine all operations and help create benefits for customers, our organization and society as a whole.

The Group is characterized by delegated business acumen, meaning that decisions are made by staff who are in close contact with customers and other partners. This allows Group companies to create solutions that meet customer challenges and help clients realize their objectives.

### THE GROUP'S CORE VALUES

**Simplicity.** We build close relationships with customers, characterized by simplicity and personal commitment.

**Reliability.** We create safe working environments, for our own workforce and those of our customers, by encouraging all employees to carry out continuous improvement work.

**Development.** With extensive experience, expertise and personal commitment, we develop innovative solutions in collaboration with our customers.



### STRATEGIC APPROACH

We will ensure that our employees work in safe, secure, healthy, and inclusive environments. We will support their commitment and provide them with the knowledge and skills to develop our operations, based on Stena Metall's values, business principles and common goals.

### EXAMPLES IN 2018/19

- Development of policies and guidelines
- Time out for safety
- Take five
- Leadership program
- Material knowledge training
- Equality and diversity plans
- Trainee programs
- Workshops
- New recruitment procedure in Halmstad

### AMBITIONS

- Maintain safe, healthy working environments
  - avoid work-related accidents, injuries and illness
- Provide employees with relevant skills and knowledge, in accordance with Stena Metall's values
- Ensure diversity and equal opportunities
- Develop leadership and internal career opportunities

### KEY PERFORMANCE INDICATORS

- 102-8 Information on employees and other workers
- 102-43 Employee survey, Stena Voice
- 405-1B Percentage of employees per employee category
- 405-1A Diversity within the organization's governance bodies
- 102-41 Collective bargaining agreements
- 403-2 Injuries and occupational diseases
- 404-2A Programs for upgrading employee skills and transition assistance programs

### MATERIAL TOPICS

Safety and Security  
Attracting employees and promoting employee development  
Skill development  
Diversity and inclusion

### GLOBAL GOALS

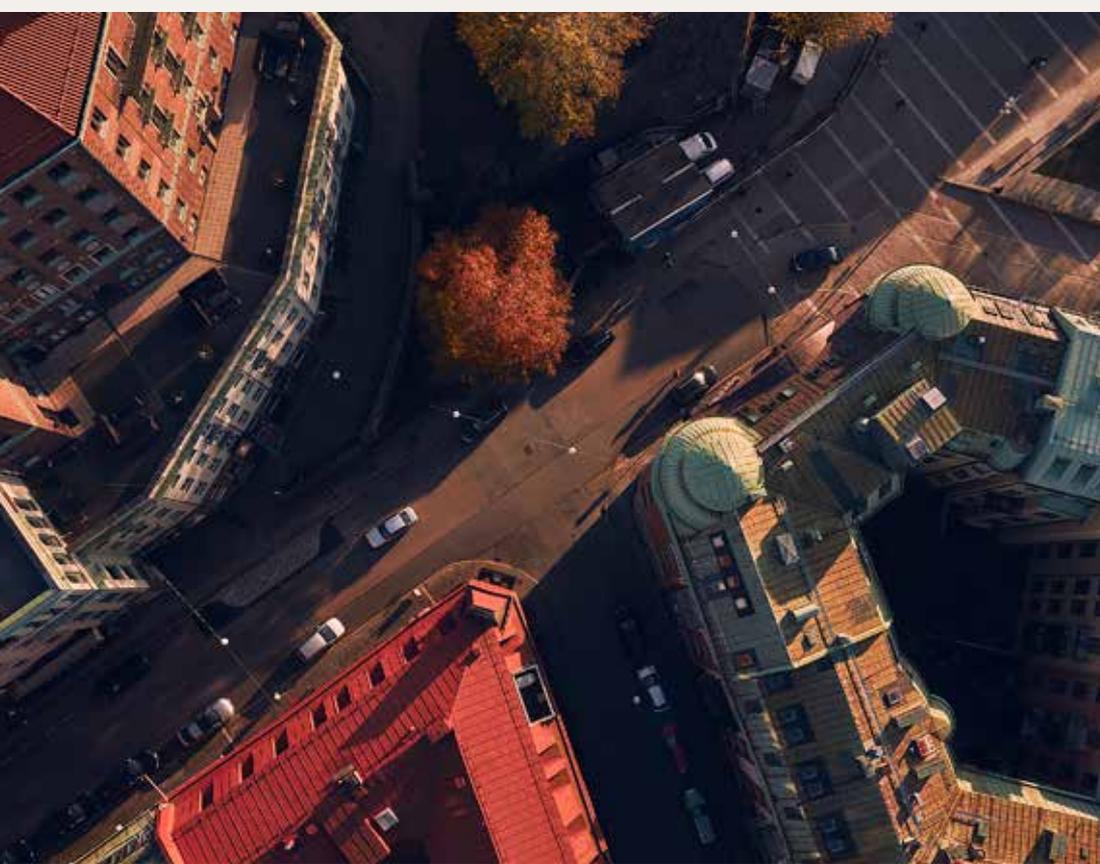
We contribute to the following targets:  
5.5, 8.8



# RESPONSIBLE RELATIONSHIPS

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Stena Metall aims to act as a positive force that contributes to sustainable development. Through local contact and open dialogue with the outside world, it aids the development of its customers and society as a whole.



Stena Metall's relationships with the outside world are ultimately governed by its code of conduct, which was approved by its Board of Directors and has been implemented in its all operations. The code is built on its owner's values and the UN Global Compact principles, concerning employee rights, working environments, human rights and anti-corruption. These values and principles cover its employees and its business partners. Taking a unified approach positively contributes to society and Stena Metall's long-term sustainable development.

## DIALOGUE AND COLLABORATION

Achieving sustainable, circular development requires collaboration between different parties. Stena Metall aims to be open, accessible and responsible, in dialogue

and collaboration, and contribute its competence in resource management and circular flows.

In addition to close contact with its customers and partners, Stena Metall also takes an active role in dialogue with politicians and legislators – at national and EU levels. Collaborative work can help overcome the obstacles that inhibit development towards a circular economy. In regular dialogue with customers, employees, creditors, politicians and neighbors, the Group offers valuable knowledge in strategic business and sustainability work.

Stena Metall's participation in forums and expert groups contributes to the exchange of experience and knowledge. It participates in the European Innovation Partnership and the Swedish Government's Cooperation Group for Circular Bio-based Economics. Stena

Recycling Sweden is a member of the Haga Initiative, which aims to reduce emissions in the business sector and illustrate how climate strategies can offer business benefits. Stena Recycling in Denmark is one of 21 companies within Dansk Industri that pursue projects in line with the UN's Global Goals. Together, the participants suggest strategic business developments that translate the UN's goals into concrete initiatives.

## THE CIRCULAR INITIATIVE

During the year, Stena Recycling established the Circular Initiative, in collaboration with Electrolux, ABB, Combitech and Stora Enso. Its aim is to develop measures that help achieve circular material flows. Through technological advances and new forms of collaboration, its ambition is to develop useful resources from waste and increase the use of recycled material in the manufacturing industry. Examining the whole value chain, from raw material to finished product, leads to more efficient resource utilization. It is also concerned with waste prevention and improving recycling processes, so that more material can return into circulation, and finding new markets for materials. Its first conference was held in Stockholm, in spring 2019.

## SOCIAL COMMITMENT

The Group and its companies engage in a number of social projects. It supports academics that have recently arrived in Sweden, through the Jobbsprånget initiative and in collaboration with Mitt Liv. Representatives from Stena Metall regularly give lectures and teach at schools, colleges and universities. It also offers students help with degree projects and dissertations.

## AWARDS AND PRIZES

The Stena Circular Economy Award is presented to students who show commitment and know-how that contributes to a more sustainable Society. In July 2019, eleven high school students, involved in six projects, received the award for their work, some of which concerned resource management improvements for food.

During the year, Stena Recycling AB introduced a scholarship for students whose degree projects investigate innovative recycling solutions and resource management. This year, Filip Göranson and Johannes Hellgren, at the School of Information

Technology, received the award for their thesis on optical waste sorting with spiral codes.

Stena Recycling was named Sweden's Most Sustainable Brand in 2018 in the Sustainable Brand Index study (Business to Business). It was also awarded the

New Thinker of 2019 award from the Öresund Institute, for contributions to the construction industry. Stena Aluminium was named Best Supplier of 2018 by Gnutti Carlo Light Metal Division, which owns Ljung-häll, one of Stena Aluminium's largest customers.



Stena Recycling works closely with Volvo Cars to improve recycling and sustainability – Kristofer Sundsgård, Managing Director of Stena Recycling, and Stuart Templar, Sustainability Manager Volvo Cars.



The Circular Initiative, Stena Recycling's collaborative arena for circular material flows, attracted a large audience in June 2019.

**STRATEGIC APPROACH**

We conduct responsible operations, based on our code of conduct. We are responsive to our stakeholders and maintain open dialogue in the promotion of sustainable development.

**EXAMPLES IN 2018/19**

- Participation in high-level forums and expert groups
- Implementation of anti-corruption and human rights policies
- Collaborations with universities and colleges
- Survey of sustainability risks, with special focus on human rights
- Participation in EMSA
- The Circular Initiative
- New external whistleblower service

**AMBITIONS**

- Ensure compliance with the code of conduct and implement its values in all activities
- Establish responsible relationships with subcontractors and introduce the code of conduct into the supply chain
- Maintain and develop transparent, responsible dialogue with stakeholders
- Proactively promote a circular economy and increase legitimacy and professionalism in the industry

**KEY PERFORMANCE INDICATORS**

- 307-1 Non-compliance with environmental laws and regulations
- 419-1 Non-compliance with laws and regulations in the social and economic area
- 205-3 Confirmed incidents of corruption and actions taken
- 102-17 Mechanisms for advice and concerns about ethics

**STENA METALL KPIS**

- Number of employees that signed the Group's code of conduct
- Number of external audits conducted by customers

**MATERIAL TOPICS**

- Dialogue that promotes a circular economy
- Code of conduct and monitoring in the value chain
- Anti-corruption
- Legal compliance and risk management

**GLOBAL GOALS**

We contribute to the following targets: 16.5, 17.17



## OTHER SUSTAINABILITY INFORMATION

### OTHER SUSTAINABILITY INFORMATION

Stena Metall encourages and values open dialogue with its stakeholders. Continuous dialogue aids a better understanding of stakeholders' needs and expectations, which provides a valuable basis for improvement work and choice of working methods. It also provides information on how the Group can develop services and offerings that aid its customers' sustainability efforts and business development. Stena Metall's most important stakeholders are selected according to how much they are affected by Group operations or how much affect operations have on them. During 2018/19, stakeholder dialogue focused on quality control, service improvements and collaborative work on sustainable solutions, which led to new and expanded collaborations within existing areas. Otherwise, stakeholder dialogue does not affect the content of this year's report.

#### GRI Standard – information and description

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

#### MEMBERSHIP OF ORGANIZATIONS AND FORUMS THAT FOCUS ON SUSTAINABILITY

Stena Metall companies have membership of a number of forums and industry associations that promote sustainability initiatives, mainly focused on increased recycling and the circular economy. These are EuRIC, Strategic Innovation Program RE: Source, Swedish Government Cooperation Group for Circular Biobased Economics, 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 Circular Forum for Plastic packaging, 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 Industry, Norwegian Metallurgical Association, NFFA – Norwegian Association for Hazardous Waste, NSO – Norwegian Safety Organization.

#### GRI Standard – information and description

102-13	Membership of associations
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#### 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
	Partnership and collaboration for future solutions

#### 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 environments	

#### Authorities

Consultation meetings	Environmental impact of operations
Supervisory meetings	Safety and good working environments
Participation in reference and consultation groups	Legal compliance and development of legislation for a circular economy

#### 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

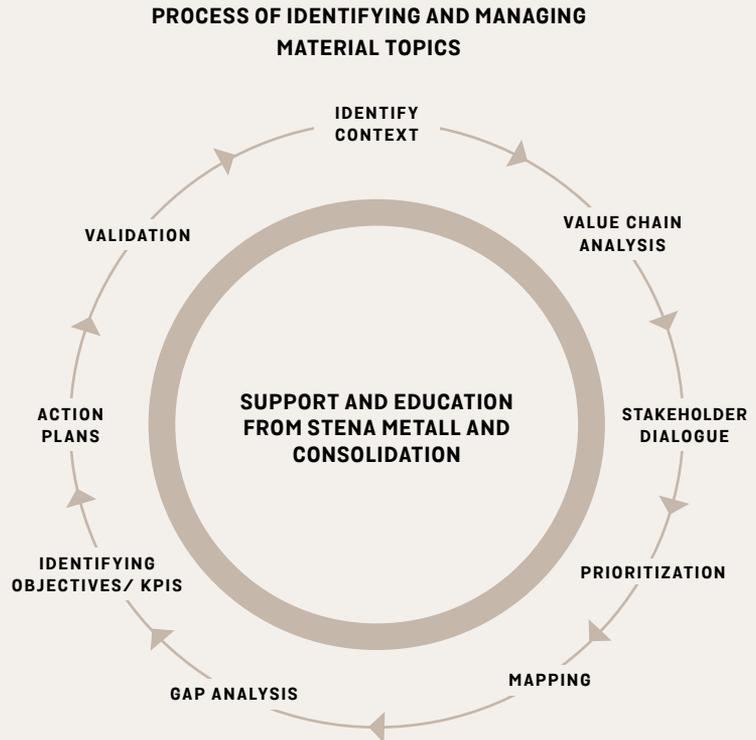
Board meetings and pre-meeting reports	Long-term profitability
Regular meetings and reports	Increasing customer satisfaction
Strategy meetings	Maintaining good relationships with the outside world
	Nurture increasing confidence
	Improving and expanding operations

## OTHER SUSTAINABILITY INFORMATION

### MATERIALITY ANALYSIS

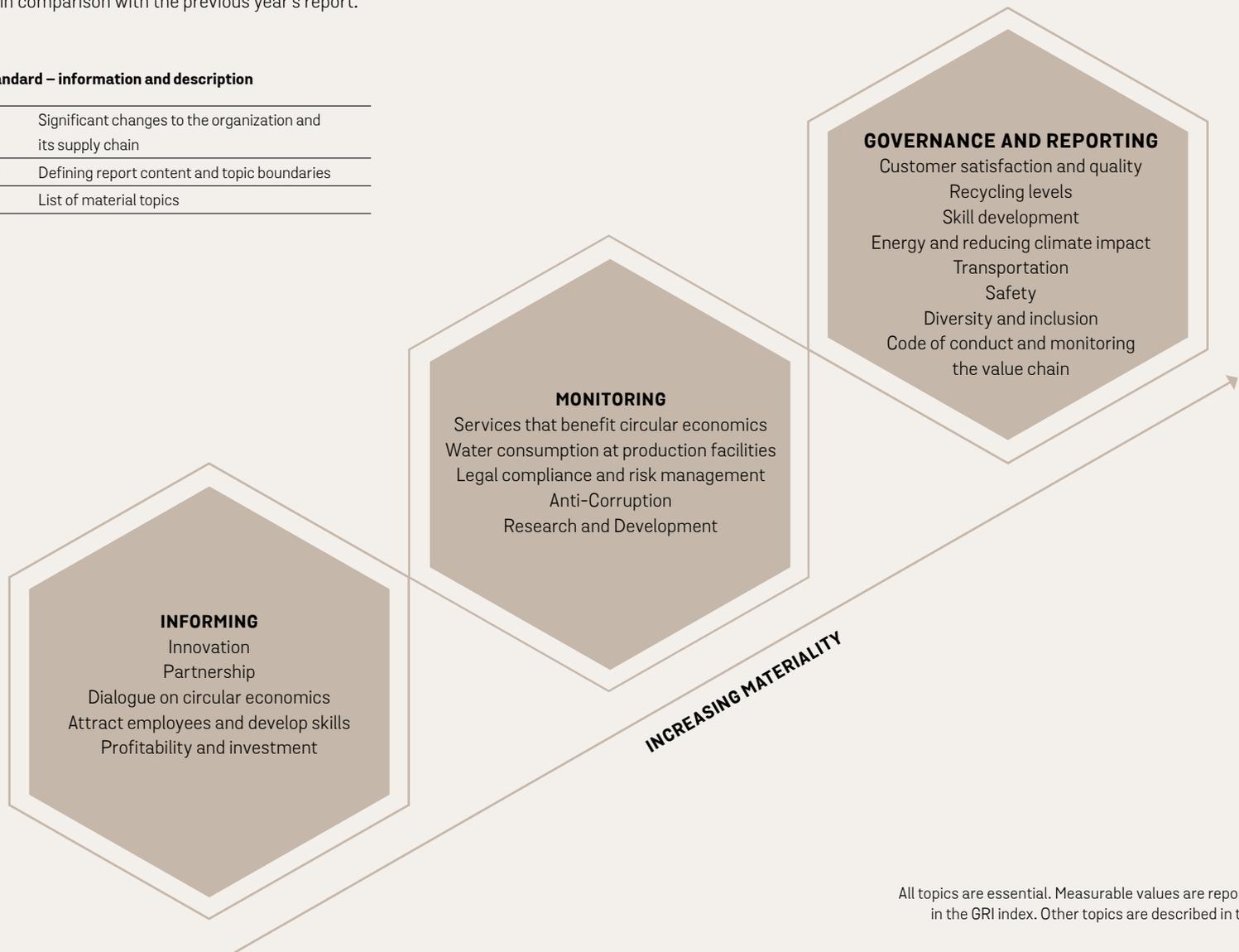
Materiality analysis is Stena Metall’s tool for identifying which sustainability issues are most important from a financial, social and environmental perspective. It also reflects the priorities of its stakeholders, in Group collaborations with stakeholders and the outside world. Each business unit has its own specific issues. It is therefore vitally important that strategic sustainability work is based on the challenges and opportunities within each company. Identifying key issues is part of the annual strategy work. In combination with analysis of external factors and stakeholder dialogue, analyses and results are consolidated and evaluated at Group level. These results give the Group a strategic direction and focus in its sustainability work.

The most recent materiality analysis was conducted in 2016 and has been continuously revised since then. A new materiality analysis will be completed in 2020, to further clarify the value chain, its parameters and relevant indicators. There have not been any significant corrections or changes, affecting the content of the report, in comparison with the previous year’s report.



**GRI Standard – information and description**

102-10	Significant changes to the organization and its supply chain
102-46	Defining report content and topic boundaries
102-47	List of material topics



All topics are essential. Measurable values are reported in the GRI index. Other topics are described in text.

## OTHER SUSTAINABILITY INFORMATION

### GOVERNING FRAMEWORK AND GUIDELINES

In addition to current legislation, Stena Metall has formulated and adopted a framework that sets guidelines for how the Group should act in relation to customers, employees and the outside world. Some of the most significant guidelines are presented below. All Group-wide policies are approved by Group management, apart from the code of conduct, which is approved by the Board of Directors.

#### VALUES AND THE CODE OF CONDUCT

The Stena Metall's values are described by its principal owner in the book, Principles, Convictions and Basic Values for Stena Metall AB. The Group has also adopted and incorporated a code of conduct, which is based on both the principal owner's values and the standards of the UN Global Compact. It defines guiding principles for Stena Metall's operations, in order to ensure they are conducted in an ethical, socially responsible and environmentally sound way. Among other things, it states that the Group must comply with the precautionary principle – an internationally valid method for reducing environmental impact.

The code of conduct, which was revised and approved by the Group's Board of Directors in 2017, applies to all employees and board members. All employees receive e-learning and other training about its contents and copies are available in all workplaces. The code of conduct forms an integral part of employment contracts and is included in the introductory program for all new employees and business partners. All employees in the Group are required to understand and follow the code of conduct.

#### GOVERNING DOCUMENTS

In addition to the code of conduct, there are a number of other Group policies that all employees must comply with. These are:

- Health, working environment, safety and security policies
- Information security policy
- Anti-corruption policy
- Human rights policy

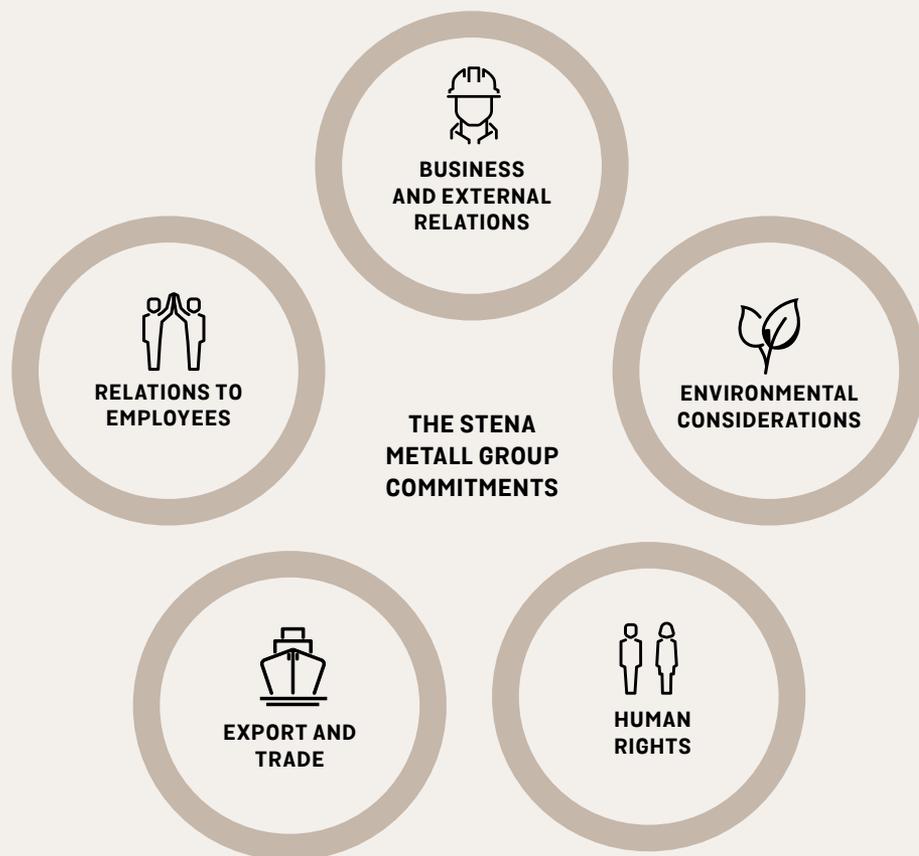
In addition, each business area has its own procedures and instructions that supplement the code of conduct and other Group-wide governing documents, including instructions concerning environmental, quality and working environment issues.

#### CLEAR CORE VALUES

Stena Metall's core values – Simplicity, Reliability and Development – together with the values of its principal owner and the code of conduct, provide guidelines for all actions within Group companies. These values make it easier to make the right decisions, increase clarity for its stakeholders and help attract employees.

#### GRI Standard – information and description

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

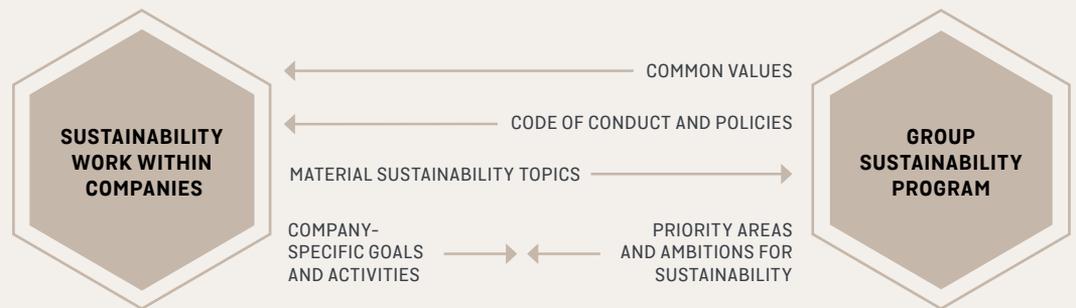


## OTHER SUSTAINABILITY INFORMATION

### ORGANIZATION FOR SUSTAINABILITY WORK

#### GROUP COLLABORATION IN THE DEVELOPMENT OF SUSTAINABILITY WORK

Development of the Group's sustainability work is carried out in close collaboration with its companies. There is continuous dialogue between subsidiaries and the Group. The Group has overall responsibility for the Group's values, its code of conduct, policies and priority sustainability areas. Group companies are responsible for adherence to common values and contributing continuous improvement work within priority areas.



#### ORGANISATION

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

managing directors. They report to a group-level coordinator with direct access to the Group management and group-wide departments, including research & development, real estate, IT, purchasing, marketing & communications, safety and HR.

There is a Sustainability Decision Forum, which consists of selected company executives and repre-

sentatives of Group management. 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.



#### FOLLOW-UP WITH COMPANY MANAGERS

The Stena Metall Group's organization for the development and governance of its sustainability work.

#### MANAGEMENT SYSTEM

The majority of the Group's companies have ISO 14001, ISO 9001 and OHSAS18001 certification. Electronics recycling also conforms to WEEELABEX and/or Cenelec standards. Operations in Germany have ISO 50001 certification. Operations in Denmark have ISO 14001 energy management certification. A process is under way to determine how other companies should include energy efficiency in their business management systems. The use of management systems supports the continuous improvement work and is evaluated annually with the aid of internal and external audits.

#### WHISTLEBLOWER SERVICE

There are reporting procedures for violations of the Group's code of conduct, values, policies or other applicable legislation. Employees are encouraged to report violations to their immediate manager, a senior manager or the HR department. If this is not considered appropriate, it is possible to make an anonymous report via the whistleblower service.

From 2018/19, the service for anonymous reporting is provided by an external partner.

#### GRI Standard – information and description

102-12	External initiatives
102-16	Values, principles, standards and norms of behavior
102-18	Governance structure
102-56	External assurance
102-17	Mechanisms for advice and concerns about ethics



New cast aluminium ingots in Stena Aluminium's smelter.

## OTHER SUSTAINABILITY INFORMATION

### MANAGEMENT OF SUSTAINABILITY RISKS

Effective risk management is vital to 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. Since 2016/17, strategic work has been carried out on the standardization of risk mapping and risk management processes in certain departments. Group-wide tools for risk mapping have been developed 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.

#### 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 sub-contracted haulage companies. The Group continuously invests in technology, bundings, run-off surfaces and risk surveys that lead to preventive measures, training, systematic safety work and fire prevention measures. Internal audits are conducted in order to ensure compliance with procedures. Systematic follow-up work is also carried out through Stena Way of Production and Stena Way of Branches.
Violation of permit conditions	The Group maintains close dialogue with the authorities. It develops processes for storage planning, self-monitoring, internal checks 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 the 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 includes 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 18001 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 was developed to strengthen the Group's position on human rights. A workshop has been initiated to raise awareness and understanding of risks relating to human rights issues.

#### Anti-corruption

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

### GRI INDEX 2018/19

The Stena Metall Group's GRI index includes page references to the Stena Metall Group's annual report, annual review and sustainability report. All GRI standards are from 2016, unless otherwise stated. The index also reports on how the Group's sustainability work connects to the UN's Global Goals and the Global Compact's ten principles. The Global Compact's principles 1, 2, 4 and 5 are covered by the Group's code of conduct. All employees undergo training in the code of conduct.

It is undersigned by all employees, who are required to uphold its values in their day-to-day work. The code of conduct is also used in communication and agreements with suppliers and partners.

The UN's Global Goals 9, 11 and 17 are reported on in the four priority areas (pages 40–47), as the Group contributes to these goals through its activities and projects.

#### GENERAL DISCLOSURES

GRI St No.	Description	Page	Comments	UN Global Goals	Global Compact
GRI 101: Foundation					
GRI 102: General Disclosures					
<b>Organisational profile</b>					
102-1	Name of the organization	39			
102-2	Activities, brands, products and services	11			
102-3	Location of headquarters	64			
102-4	Location of operations	11, 64			
102-5	Ownership and legal form	63			
102-6	Markets served	4, 11			
102-7	Scale of the organization	4, 8, 11	Financial information about the size of the organization is available in The Stena Metall Group's Annual Report 2018/19 on page 3		
102-8	Information on employees and other workers	59	See omission, page 59	8	6
102-9	Supply chain	11, 23, 27, 29, 31, 33, 35, 36			
102-10	Significant changes to the organization and its supply chain	9, 49			
102-11	Precautionary Principle or approach	50, 53			7
102-12	External initiatives	39, 51			
102-13	Membership of associations	48			
<b>Strategy and Analysis</b>					
102-14	Statement from senior decision-maker	12–13			
102-15	Key impacts, risks, and opportunities	20–21, 53			
<b>Ethics and Integrity</b>					
102-16	Values, principles, standards and norms of behavior	50		16	10
102-17	Mechanisms for advice and concerns about ethics	50–51, 59		16	
<b>Governance</b>					
102-18	Governance structure	51			
<b>Stakeholder Engagement</b>					
102-40	List of stakeholder groups	48			
102-41	Collective bargaining agreements	59		8	3
102-42	Identifying and selecting stakeholders	48			
102-43	Approach to stakeholder engagement	48			
102-44	Key topics and concerns raised	48–49			

GRI St No.	Description	Page	Comments	UN Global Goals	Global Compact
<b>Reporting Practice</b>					
102-45	Entities included in the consolidated financial statements	39	More information can be found in the Stena Metall Group's Annual Report 2018/19 on pages 54–55		
102-46	Defining report content and topic boundaries	48 – 49			
102-47	List of material topics	49			
102-48	Restatements of information	39			
102-49	Changes in reporting	9, 49			
102-50	Reporting period	39			
102-51	Date of most recent report	39			
102-52	Reporting cycle	39			
102-53	Contact point for questions regarding the report	60			
102-54	Claims of reporting in accordance with GRI Standards	39			
102-55	GRI content index	54 – 57			
102-56	External assurance	39, 60			

## OTHER SUSTAINABILITY INFORMATION

### GRI INDEX 2018/19

#### SPECIFIC DISCLOSURES

GRI St No.	Description	Page	Comments	UN Global Goals	Global Compact
<b>GRI 200: Economic Disclosures</b>					
<b>Anti-Corruption</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	46 – 47, 48 – 49		16	10
103-2	The management approach and its components	47, 50 – 51			
103-3	Evaluation of the management approach	50 – 51			
<b>GRI 205: Anti-corruption</b>					
205-3	Confirmed incidents of corruption and actions taken	59			
<b>GRI 300: Environmental standards</b>					
<b>Energy</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	42 – 43, 48 – 49		7, 8, 12, 13	7, 8, 9
103-2	The management approach and its components	42 – 43, 50 – 51			
103-3	Evaluation of the management approach	48, 51			
<b>GRI 302: Energy</b>					
302-1	Energy consumption within the organization	58			
<b>Water</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	42 – 43, 48 – 49		6, 14	8, 9
103-2	The management approach and its components	42 – 43, 50 – 51			
103-3	Evaluation of the management approach	48, 51			
<b>GRI 303: (2016) Water</b>					
303-1	Interactions with water as a shared resource	58	Water consumption at all production facilities is calculated in liters. Offices are excluded, as reliable data is unavailable.		
<b>Emissions</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	42 – 43, 48 – 49		3, 12, 13, 14, 15	7, 8, 9
103-2	The management approach and its components	42 – 43, 50 – 51			
103-3	Evaluation of the management approach	42 – 43, 48, 51			
<b>GRI 305: Emissions</b>					
305-1	Direct (Scope 1) GHG emissions	58			
305-2	Energy indirect (Scope 2) GHG emissions	58			
<b>Waste</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	42 – 43, 48 – 49		3, 6, 12	8, 9
103-2	The management approach and its components	43, 48, 50 – 51			
103-3	Evaluation of the management approach	43, 51			
<b>GRI 306: Effluents and waste</b>					
306-2	Waste by type and disposal method	58			
Stena Metall KPI	Recycling rate of material handled	58			
<b>Compliance with environmental legislation</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	46 – 47, 48 – 49		16	7, 8
103-2	The management approach and its components	47 – 48, 50 – 51			
103-3	Evaluation of the management approach	47, 51, 53			

## SPECIFIC DISCLOSURES

GRI St No.	Description	Page	Comments	UN Global Goals	Global Compact
<b>GRI 307: Environmental Compliance</b>					
307-1	Non-compliance with environmental laws and regulations	59			
<b>GRI 400: Social disclosures</b>					
<b>Health and Safety</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	44 – 45, 48 – 50		3, 8	
103-2	The management approach and its components	44 – 45, 50 – 51			
103-3	Evaluation of the management approach	47, 50 – 51, 53			
<b>GRI 403: (2016) Occupational health and safety</b>					
403-2	Hazard identification, risk assessment, and incident investigation	59	See omission – page 59		
<b>Training</b>					
<b>GRI 103: Management Approach</b>					
103-1	Explanation of the material topic and its Boundary	44 – 45, 48 – 50			
103-2	The management approach and its components	44 – 45, 50 – 51			
103-3	Evaluation of the management approach	45, 50 – 51			
<b>GRI 404: Training and education</b>					
404-2	Programs for upgrading employee skills and transition assistance programs	404-2 a 46 – 47	404-2 b is currently not applicable as redundancies due to lack of work are rare. Individual solutions are offered instead.		
Stena Metall KPI	Number of employees who signed the Group's code of conduct	59			
<b>Diversity and equal opportunity</b>					
<b>GRI 103: Management Approach</b>					
				5, 8	6
103-1	Explanation of the material topic and its Boundary	44 – 45, 48 – 50			
103-2	The management approach and its components	44 – 45, 50 – 51			
103-3	Evaluation of the management approach	45, 50 – 51			
<b>GRI 405: Diversity and equal opportunities</b>					
405-1	Diversity of governance bodies and employees	59			
<b>Quality</b>					
103-1	Explanation of the material topic and its Boundary	46 – 47, 48 – 49			
103-2	The management approach and its components	47 – 48, 50 – 51			
103-3	Evaluation of the management approach	47, 51, 53			
Stena Metall KPI	Number of external audits at Stena Metall facilities conducted by customers	59			
<b>Compliance with socioeconomic legislation</b>					
<b>GRI 103: Management Approach</b>					
				16	
103-1	Explanation of the material topic and its Boundary	46 – 47, 48 – 49			
103-2	The management approach and its components	47 – 48, 50 – 51			
103-3	Evaluation of the management approach	47, 51, 53			
<b>GRI 419: Socioeconomic Compliance</b>					
419-1	Non-compliance with laws and regulations in the social and economic areat	59		16	

The Stena Metall Group reports in accordance with GRI Standards 2016 Core. The sustainability report has been audited by an external party.

## OTHER SUSTAINABILITY INFORMATION

### SPECIFIC DISCLOSURES

Value creation	2018-19	2017-18	2016-17	Comment
<b>GRI 102-43 Approach to stakeholder engagement</b>				
Proportion of satisfied or very satisfied customers in surveys	74%	71%	77%	
<b>GRI 102-7 Scale of the organization</b>				
Page 4 and The Stena Metall Group Annual Report 2018/2019				
<b>Recycling rates</b>				
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 the European Parliament Directive 2000/53/EC 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 the European Parliament Directive 2012/19/EU of 13 August 2012. In collaboration with manufacturers, Stena Metall Group companies recycle more than 80% of the material collected, which exceeds the required figure.				

Resource Efficiency	2018-19	2017-18	2016-17	Resource Efficiency, continued	2018-19	2017-18	2016-17
<b>GRI 306-2 Waste by type and disposal method (tonnes)</b> Defined in accordance with the Waste Directive (2008/98/EC).				<b>GRI 302-1 Energy consumption within the organization (MWh) GHG protocol, see page 39</b>			
<b>Hazardous waste</b>				<b>Fuel</b>			
Reuse	436	1,082	766	Non-renewable	157,700	180,900	257,800
Material recycling	101,205	95,725	140,594	Renewable <sup>1</sup>	79,700	89,200	0
Composting	141	14,459	15,449	<b>Total</b>	<b>237,400</b>	<b>270,100</b>	<b>257,800</b>
Recycling, including energy recovery	119,666	102,948	117,850	<b>Electricity</b>			
Incineration	6,435	7,650	11,379	Source-marked hydro-electric power	68,300	55,700	74,400
Deep injection	0	844	2,368	Residual mix	68,600	65,300	57,000
Landfill Deposition	40,700	45,022	51,792	<b>Total</b>	<b>121,000</b>	<b>131,400</b>	
Intermediate Storage	0	0	0	<b>District heating</b>			
Other Disposal	18,352	59,831	66,103	District heating	17,400	16,900	10,600
<b>Total</b>	<b>286,935</b>	<b>327,561</b>	<b>406,301</b>	<b>Total</b>	<b>17,400</b>	<b>16,900</b>	<b>10,600</b>
<b>Non hazardous waste</b>				<b>Total Energy Consumption</b>			
Reuse	34,048	23,852	11,817		<b>391,800</b>	<b>408,000</b>	<b>402,100</b>
Material recycling	4,135,480	4,309,587	3,919,632	<b>GRI 305-1 Emissions (Tonnes)</b>			
Composting	208,958	208,504	123,282	The Haga Initiative			
Recycling, including energy recovery	790,690	886,435	736,859	Direct (scope 1) GHG CO <sub>2</sub> emissions <sup>2</sup>	54,800	65,100	67,000
Incineration	2,033	6,917	5,196	<b>GRI 305-2 Emissions (Tonnes)</b>			
Deep injection	0	0	0	The Haga Initiative			
Landfill Deposition	211,259	241,277	239,320	Indirect (scope 2) GHG CO <sub>2</sub> emissions <sup>3</sup>	31,100	29,400	23,800
Intermediate Storage	0	0	0	<b>GRI 303-1 Water (M3)</b>			
Other Disposal	14,809	11,477	47,664	<b>Water consumption at production facilities</b>			
<b>Total</b>	<b>5,397,277</b>	<b>5,688,049</b>	<b>5,083,770</b>	From groundwater	29,293		
				From municipal water management systems	139,065	162,329	188,654
				<b>Total water consumption of production facilities</b>	<b>168,358</b>	<b>162,329</b>	<b>188,654</b>

Water consumption at all production facilities is calculated in liters.

<sup>1</sup> Mandatory reduction: Gasoline 20%, Gasoline 2,6% and HVO100

<sup>2</sup> Fuel: LPG, NG, Diesel, Fuel Oil, Gasoline

<sup>3</sup> Electricity and district heating

People and culture	2018-19	2017-18	2016-17
<b>GRI 102-8 Information on employees and other workers</b>			
Sweden	2,235	2,273	2,329
Denmark	346	360	353
Norway	265	245	253
Finland	130	123	129
Germany	92	88	90
Switzerland	1	2	2
Italy	152	129	128
Poland	577	574	546
USA	2	2	2
<b>Total</b>	<b>3,800</b>	<b>3,796</b>	<b>3,829</b>
Percentage:			
Women	25%	24%	24%
Men	75%	76%	76%

In Sweden, the proportion of women working part-time is 2% and the proportion of men is 2%, as of August 31, 2019. Information about full and part-time employees in other countries is not currently available. In the 2019/20 financial year, work will begin on developing a new HR system, which will collect employment data from all countries.

The number of contracted employees hired by the Group amounts to 363.

The average number of contracted employees is calculated as the number of hours per month worked by contracted employees divided the number of hours per month worked by full-time employees. The result shows the corresponding full-time employees (FTE).

The number of contracted employees hired is greatest at the beginning of the year. It decreases during the year to a steady level, depending on business needs.

<b>GRI 405-1 B Percentage of employees per employee category</b>			
<b>Proportion of office workers</b>	<b>48%</b>	<b>49%</b>	<b>47%</b>
Gender distribution:			
Women	53%	43%	44%
Men	57%	47%	56%
Age distribution:			
<30 years	10%	9%	8%
30-50 years	60%	61%	59%
>50 years	30%	30%	33%
<b>Proportion of blue-collar employees</b>	<b>52%</b>	<b>51%</b>	<b>53%</b>
Gender distribution:			
Women	7%	7%	6%
Men	93%	93%	94%
Age distribution:			
<30 years	14%	15%	14%
30-50 years	53%	52%	53%
>50 years	33%	33%	33%

<b>GRI 405-1a Diversity of governance bodies and employees</b>			
Gender distribution:			
Women	23%	18%	20%
Men	77%	82%	80%
Age distribution:			
<30 years	0%	0%	0%
30-50 years	54%	56%	60%
>50 years	46%	44%	40%

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

<b>GRI 102-41 Collective bargaining agreements</b>			
The proportion of employees covered by collective bargaining agreements is around 80%. There are no collective bargaining agreement in Poland, Germany and for some employees in Denmark.			
<b>GRI 403-2 Hazard identification, risk assessment, and incident investigation</b>			
Number of accidents (personal injuries leading to sick leave, refers to our own employees only, not contracted personnel).	37	60	44

People and culture, continued	2018-19	2017-18	2016-17
Numbers, by category:			
Slips and falls	6	16	10
Crushing injuries	13	14	7
Stress injuries to body parts	1	4	5
Cutting injuries	2	4	6
Falling from height	4	4	0
Hit by object	4	11	10
Vehicle-related (including containers)	1	5	2
Related to explosion or fire	1	1	2
Related to electricity	0	0	1
Chemical processes	5		
Other	0	1	1
Fatalities	0	0	0
Accident rate (Number of personal injuries leading to sick leave, per million hours worked)	5.4	8.6	6.8
Severity of Accidents (Average number of days of sick leave, per accident)	17	16	15
<b>Sick Leave (Leave resulting from illness in relation to regularly scheduled hours worked)</b>			
Office employees	2.60%	2.70%	2.70%
Blue-collar employees	5.20%	5.30%	5.40%
All employees	3.90%	4.00%	4.10%

Information regarding operations in Germany is excluded, as it cannot be reliably confirmed. Work is being carried out to compile reliable data and will be followed up next year.

<b>GRI 102-43 Approach to stakeholder engagement Stena Voice</b>			
Leadership index	4.30	4.31	4.28
Working environment index	4.00	4.00	3.90
Total index	4.24	4.25	4.21

Annual survey – the maximum value is 5.

Information regarding operations in Germany is excluded, as it cannot be reliably confirmed. Work is being carried out to compile reliable data and will be followed up next year.

Responsible Relationships	2018-19	2017-18	2016-17
<b>GRI 307-1 Non-compliance with environmental laws and regulations</b>			
Number of confirmed violations	4	2	1

Infraction of environmental permit conditions (SEK 175,000). Neglect caused emissions of diesel (SEK 75,000). Two administrative penalties for deficiencies in transport documents (SEK 20,000). Reviews of procedure, training, processes and monitoring were introduced in order to prevent future infractions.

<b>GRI 419-1 Non-compliance with laws and regulations in the social and economic area</b>			
Number of confirmed violations	2	1	-

A penalty for failure to inspect a crane (SEK 400,000). A penalty for a workplace incident (DK 100,000). Reviews of procedure, training and processes were introduced in order to prevent future infractions.

<b>GRI 205-3 Confirmed incidents of corruption and actions taken</b>			
Number of confirmed cases	-	-	-

<b>Number of external audits</b>			
Number of external audits carried out at Group facilities by customers	68	97	71

Code of Conduct	2018-19	2017-18	2016-17
Percentage of employees who have signed the Group's code of conduct	96%	90%	86%

Signature confirming that you have taken part in and understand the content of the Group's Code of Conduct. Includes own employees and hired personnel who replace own employees

<b>GRI 102-17 Whistleblower function</b>			
Number of cases reported	2	0	2

Incidents have been handled in accordance with the instructions and procedures of the whistleblower function. External consultation on working environment issues has been used in one of the reported cases.

## AUDITOR'S REVIEW OF THE SUSTAINABILITY REPORT AND OPINION ON THE STATUTORY SUSTAINABILITY REPORT

To Stena Metall AB, org.no 556138-8371

### INTRODUCTION

We have been commissioned by the Board of Directors and the Chief Executive Officer of Stena Metall AB to review Stena Metall's sustainability report for 2019. The company has defined the scope of the sustainability report, which also includes the statutory sustainability report, on page 39.

### RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Board of Directors and the Chief Executive Officer are responsible for preparing the sustainability report, including the statutory sustainability report, in accordance with the applicable criteria of annual accounting legislation. The criteria are defined on page 39 and are made up of GRI Sustainability Reporting Standards and Stena Metall's own accounting and calculating principles. This responsibility also includes any internal checks deemed necessary to prepare a sustainability report that does not contain material errors, whether due to irregularities or mistakes.

### RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express our conclusions on the sustainability report, based on our review, and submit our report regarding the statutory sustainability report.

We conducted our review in accordance with ISAE 3000, Assurance engagements other than audits or reviews of historical financial information. A general review consists of making requests, primarily to the individuals responsible for the preparation of the sustainability report, to perform an analytical review and carry out other review procedures. We have conducted our review of the statutory sustainability report in accordance with RevR12, the auditor's standard for statutory sustainability reporting, issued by FAR (the Swedish institute for auditing). Reviews made in accordance with ISAE 3000 and RevR12 have a different focus and much smaller scope, in comparison with the scope of audits made in accordance with International Standards on Auditing and generally accepted auditing standards.

The audit company applies ISQC 1 (International Standard on Quality Control) and thus has an overall quality control system that includes documented guidelines and procedures regarding compliance with professional, ethical requirements, standards of professional practice and applicable legal and regulatory requirements. We are not dependents of Stena Metall, in accordance with generally accepted auditors' practice in Sweden, and have fulfilled our ethical responsibilities according to these requirements.

The limitations of a review do not allow us access to all the information that would have been collected had an audit been performed. The conclusion of a review, according to RevR12, does not have the assurance of a conclusion based on an audit.

Our review is based on criteria chosen by the Board of Directors and the Chief Executive Officer, as defined above.

We believe these criteria are appropriate for the preparation of the sustainability report.

We believe that the evidence we obtained during our review provided a sufficient and appropriate basis for the statements we have made below.

### STATEMENT

Based on our review, no circumstances have emerged that give us reason to consider that the information in the sustainability report is not, in all material respects, prepared in accordance with the above criteria, specified by the Board of Directors and the Chief Executive Officer. A statutory sustainability report has been prepared.

Gothenburg, October 23, 2019  
PricewaterhouseCoopers AB

**Johan Rippe**  
Authorized Public Accountant

**Fredrik Ljungdahl**  
Sustainability Specialist, member of FAR

## CONTACT PERSON FOR THE SUSTAINABILITY REPORT



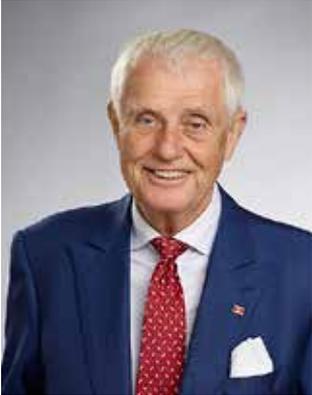
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At the Stena Nordic Recycling Center in Halmstad, plastic is recycled from electronic products. These plastic pellets are used as raw material in the manufacture of new products. Recycling plastic reduces oil consumption and carbon dioxide emissions.

## BOARD OF DIRECTORS

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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



Ronny Persson  
Deputy



Irene Lund  
Deputy

# STENA METALL – PART OF THE STENA SPHERE

BUSINESS AREA*	STENA AB (PUBL)	STENA SESSAN AB	STENA METALL AB
<b>FERRY OPERATIONS</b> Sales SEK 13,849 million Profit SEK 688 million	Stena Line		
<b>OFFSHORE DRILLING</b> Sales SEK 1,284 million Profit SEK -4,071 million	Stena Drilling Shuttle tankers		
<b>SHIPPING</b> Sales SEK 6,722 million Profit SEK -875 million	Stena Bulk Stena RoRo StenaTeknik, NMG	Shuttle tankers Concordia Maritime (52%)	
<b>PROPERTY</b> Sales SEK 5,505 million Profit SEK 3,646 million	Stena Fastigheter		
<b>NEW BUSINESS</b> Sales SEK 7,259 million Profit SEK 791 million	Stena Adactum	Mylan (0.8%) Scandic (17.2%) Beijer Electronics (29.8%)	
<b>FINANCE/OTHER</b> Sales SEK 102 million Profit SEK 92 million	Stena Finans		Stena Metall Finans
<b>RECYCLING, ENVIRONMENTAL SERVICES &amp; TRADE</b> Sales SEK 27,391 million Profit SEK 1,004 million			Stena Metall

## STENA SUPPORTS RESEARCH, CULTURE AND SOCIAL DEVELOPMENT

- Sten A Olsson's Stiftelse för Forskning och Kultur (Foundation for Research and Culture) has donated, on average, SEK 35 million per year, during the past ten years.
- Jane and Dan Sten Olsson's Stiftelse för Sociala Ändamål (Foundation for Social Purposes) supports the Hand in Hand Foundation and has helped create 185,000 jobs, primarily in Africa.

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, 19,000 people are employed in the Stena Sphere. Total sales amounted to SEK 60,906 million\*. Profit before tax amounted to SEK 1,275 million.

\*Figures relate to the period January 1 through December 31, 2018 – except Stena Metall's figures, which relate to the period September 1, 2018 through August 31, 2019.



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Read more about the financial performance in the Annual Report. A PDF version is available at [stenametall.se](http://stenametall.se). The printed report can be ordered at [info@stenametall.se](mailto:info@stenametall.se)

