

STENA METALL







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Mimmi Almén works as an HR assistant at Stena Aluminium in Älmhult.

THE YEAR IN SUMMARY

The Stena Metall Group reports an EBITDA of SEK 1,561 million (and SEK 1,352 million, excluding the effect of IFRS 16 (SEK 1,607 million in 2018/19).

Business Area Recycling showed a strong year with an EBITDA of SEK 1,305 million (SEK 1,321 million).

Stena Oil had a very good year with an all-time high EBITDA of SEK 196 million (SEK 39 million in 2018/19).

During the year, Stena Metall strengthened the Group's liquidity through the issue of bond loans of SEK 1,800 million.



INCREASED GREEN FUNDING

In 2020, Stena Metall increased its green financing with a Green RCF (Revolving Credit Facility) of SEK 300 million. The aim is to finance the purchase of waste to recycle and turn into new raw material.

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FURTHER REDUCTIONS IN CLIMATE IMPACT

The Group continued to reduce climate-impacting emissions from its own operations during the year. In total, emissions from our own business (scope 1 and 2) decreased by nine percent. This was due to goal-oriented work in several areas, not least transportation.

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COOPERATION AND COLLABORATION

During the year, several exciting collaborations and cooperative projects were initiated with customers and customers' customers, as well as with large, established technology suppliers and smaller start-ups. Among the more prominent were collaborations with Electrolux, ABB and Combitech.

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THIS IS STENA METALL

The Stena Metall Group contributes to the development of the circular economy. In close collaboration with customers and partners, we enable a more efficient and smarter use of resources. With our services we create value benefiting everyone – customers, the environment and society as a whole. Through extensive research and development, we meet the challenges of the future with new, sustainable solutions. In addition to offering services in recycling, we also supply raw materials, steel products, and aluminium alloys to customers all over the world.

We operate from more than 200 locations in 9 countries: Sweden, Norway, Denmark, Finland, Poland, Switzerland, Germany, Italy and the US.

3,500

NUMBER OF
EMPLOYEES

9

NUMBER OF
COUNTRIES IN WHICH
WE OPERATE

6,000,000

TONNES OF WASTE
RECYCLED



Ann Helen Høyvik works as an operator and is the head safety representative at Stena Recycling's branch in Haugesund, Norway. Onwuzulike Gabriel Chuks, works in production at Stena Recycling's facility in Anigiari, Italy.



SIMPLICITY, RELIABILITY AND DEVELOPMENT

Our ability to make a difference is based on the Stena Metall Group's three core values: simplicity, reliability and development. A group-wide approach and view on basic values ensures a culture that promotes business acumen, clarity for customers and a strong appeal for both current and future employees.

OUR OPERATIONS

Recycling, reuse and services in design and resource management

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, Italy and the US. Material from several other European countries is also recycled.

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Industry and trade in raw materials – new and recycled

STENA ALUMINIUM

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

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STENA STÅL

Stena Stål is a nationwide steel supplier, with production facilities, warehouses and sales offices in 14 locations across Sweden, and one in Moss, Norway. The company offers a wide range of beams, reinforcing bars, pipes, 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 meet specific customer requirements.

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Development of new services and concepts

NEW VENTURES

New Ventures aims to identify and develop 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. Its operations are conducted from the Group's head office in Gothenburg (Sweden).

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Investments, liquidity and financing

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.

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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. Its operations are conducted in Nybro, Sweden.

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STENA OIL

Stena Oil is Scandinavia's leading supplier of bunker oil and total marine solutions to vessels in the Skagerrak, Kattegatt 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.

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HALOSEP

HaloSep introduces cutting-edge technology for taking care of and refining fly/flue ash, which contains resources that would otherwise be lost. HaloSep was previously run as a development project within New Ventures and became a Group company on its own in 2020.

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CEO COMMENTS

The 2019/20 financial year was unusual and challenging in many ways. In a short-term market characterized by high volatility and a great deal of uncertainty, the Stena Metall Group strengthened its position as the Nordic region's leading recycling company. Profit before tax was SEK 559 million.



The year was dominated by the coronavirus pandemic and its effects on the world around us. Looking back, it is important to remember that at the beginning of the financial year, last autumn, market conditions were rather severe, with falling scrap prices and weaker business volumes overall. In most cases for Stena Recycling this was financially a worse period than the "corona period", in terms of result. During the second quarter, the market outlook improved and, as we

prepared for the second half of February, we were quite optimistic, in terms of both volumes and prices. Then came the coronavirus, the world shut down and we quickly had to adjust to a different situation. We rapidly entered a state of readiness, with a focus on health and safety and, above all, on securing our business.

I think we have succeeded very well in "rallying the troops" (companies), instilling courage and energy, while focusing on the areas that we are able to affect. Within Stena Recycling, we have ensured full production throughout the crisis and have generally seen good demand for all our product types. We have stayed close to our customers and partners. We have generated a great deal of new business during this period. Our collective business acumen has really shown its strength in these challenging and extraordinary circumstances.

MAJOR EFFECTS OF COVID-19

The coronavirus pandemic has had a significant effect on most of our operations. Our everyday lives have changed and we have been forced to adapt to new and different demands that affect us all, in our private lives as well as in our work. I'm very impressed by the commitment and business acumen shown during the year and by how the majority of employees in the Stena Metall Group

have handled these changes. It is proof that giving clearly delegated mandates to the right people with the right skills can create success, even in these challenging times. For example, in Italy, which was hit so hard by the virus, Stena Recycling kept its business going throughout this difficult period and continued to produce positive results.

STRENGTHENED POSITIONS FOR STENA RECYCLING

As the Nordic region's leading recycling company, Stena Recycling has advanced its positions further. Through a combination of acquisitions and in-house development, we continue to find new solutions that further increase the degree of refinement in recycling. At the same time, collaboration with customers and partners in developing sustainable, circular solutions is growing rapidly. Our large network of branches, close to our customers, forms a solid foundation for good growth. There is exciting potential for our customers, as well as for ourselves, in a recycling system with around 175 branches, linked via increasingly efficient logistics with regional, as well as more central, production units.

The Stena Nordic Recycling Center (SNRC) is a hub for the Group's industrial material recycling infrastructure. SNRC continues to contribute to significantly increasing recycling rates and higher



“In times of greater uncertainty than normal, it feels very satisfying to state that the Stena Metall Group’s financial position is strong.”

quality output. We are continuously investing in new productivity-enhancing solutions at SNRC. For example, this year saw the introduction of three completely new recycling processes. In parallel, we are expanding our production and process capacity in Poland, where Stena Recycling initiated two new recycling processes during the year.

FAST-PACED CHANGES AT STENA ALUMINIUM AND STENA STÅL

The coronavirus pandemic meant that market conditions remained difficult for Stena Aluminium during the year. However, with new management and new customer segments, we are now seeing clear potential for improvement.

The steel market was also weak during the year and put pressure on the profitability at Stena Stål. The company has ceased its Steel Service Center operations and implemented focused cost adjustments, while strengthening its market position in the wholesale steel market.

STRONG RESULTS FOR STENA OIL AND STENA METALL FINANS

During the year, Stena Oil took a market-leading position in Scandinavia as a supplier of the new, low-sulfur bunker oil. At the same time as producing very good results, the company

continues to invest in improved logistics that further strengthen its position as the market’s leading supplier of quality-assured bunker oil.

Despite very volatile market conditions, Stena Metall Finans has delivered a strong result. It has proactively collaborated with other Group companies, in terms of cash flow and credit risks, and continuously contributed to the maintenance of good financial discipline within the Group.

In order to increase financial freedom, Stena Metall Finans issued bond loans of SEK 1,800 million during the year, with maturities of four and five years. At the same time, a new green syndicated, revolving credit facility of SEK 300 million, with a term of up to five years, has also been established.

In times of greater uncertainty than normal, it feels very satisfying to state that the Stena Metall Group’s financial position is strong.

MAJOR FOCUS ON COLLABORATION

The Group’s focus on collaboration with other companies has proved to be a successful part of our quest to develop new, innovative solutions. We work on projects with both large, established technology suppliers and small start-ups. Above all, we collaborate with our customers, our customers’ customers and their subcontractors in order to make the entire value chain work.

The Stena Recycling Lab (located at the Stena Nordic Recycling Center in Halmstad) makes an important contribution to increasing collaborative work by inviting others to help us develop solutions at the heart of our business. One collaboration, between ABB, Combitech and Stena Recycling, is focused on circulating more material from complex metal scrap – one of society’s most difficult waste streams. Another collaboration, with Electrolux, is working to create vacuum cleaners made solely made from recycled plastic, which are also completely recyclable.

In parallel, an increasingly constructive collaboration is underway with several of our customers and partners in developing new, sustainable circular business.

Exciting solutions are being created by these focused, value-creating projects, which benefit all the parties involved. Other projects include a partnership with ABB, focused on electric motors, and a collaboration with ABB and Hitachi concerning transformers.

The well-known Swedish brand KappAhl places sustainability high on its agenda. In the spring, KappAhl and Stena Recycling began a strategic, long-term collaboration to develop KappAhl’s sustainability work, with special focus on their distribution center in Mölndal. In an industry experiencing high demand for



sustainability, KappAhl's decision was induced by its need for a strategic, long-term partner, which Stena Recycling met with its material knowledge and ability to create circular solutions.

This year, the Weland Group, one of Sweden's leading manufacturers of stairs, walkways, lattice floors and sheet metal processing, chose to sign a 3-year extended agreement with Stena Recycling. The parties were already collaborating at two of Weland's facilities, but this expanded agreement extends the sustainability collaboration to three more. Vital to Weland's decision was Stena Recycling's capability as a circular partner with efficient, nationwide recycling solutions and its professional service. Abilities that Stena Recycling in Värnamo delivered in its previous collaboration with Weland and which, together with the broad and deep competence of the entire customer team, were decisive for Weland's decision to expand the collaboration.

Stena Recycling's subsidiary BatteryLoop, developed technical solutions and implemented full-scale energy storage this year, using recycled batteries from the automotive industry – solutions that move energy in time and space. It also made a global agreement with Volvo Bussar for the reuse and recycling of their batteries.

A collaboration was initiated between BatteryLoop, Stena Line and Stena Teknik to develop energy storage at ports for charging both vehicles and ships.

Together with Stena Recycling, BatteryLoop sees great potential in creating sustainable

solutions and taking a market-leading position in the collection, reuse and recycling of vehicle batteries throughout Europe.

CONTINUED DIGITALIZATION

Our digitalization journey continues. For example, by the end of the financial year, 44% of repeat orders from Stena Recycling Sweden's customers were placed digitally. A new digital service was launched, during the year, that makes our customers compliant with new legislation regarding the traceability of hazardous waste.

LAUNCH OF "THE SUSTAIN-ABILITY HUB"

"The Sustain-Ability Hub" was launched, during the year, for both existing and potential customers. This knowledge bank aims to share expertise in sustainability and circularity and, thereby, strengthen our position as a knowledge leader in the industry.

Articles and presentations from our sustainability experts are gathered here from four perspectives; sustainable business, sustainable production, product design and industrial waste, with the aim of using our expertise to increase business.

WELL EQUIPPED

We are seeing greater economic activity around us at the moment. Both the commodity and financial markets have been relatively stable for a longer period. The economy is recovering and most of our customers are fairing much better

again. This is, of course, positive for us but, at the same time, the global spread of the coronavirus continues and there is much to suggest that we will be forced to deal with its effects for a long time to come. There is reason to fear that anxiety and uncertainty surrounding the pandemic will increase again and that the resulting short-termism will mean we are facing a rather volatile period.

However, major price fluctuations and periods of increased market volatility are recurring challenges that we must address. Our financial position is strong. By maintaining financial discipline, we are well equipped to handle the situation in the best possible way.

Anders Jansson

Gothenburg, October 2020

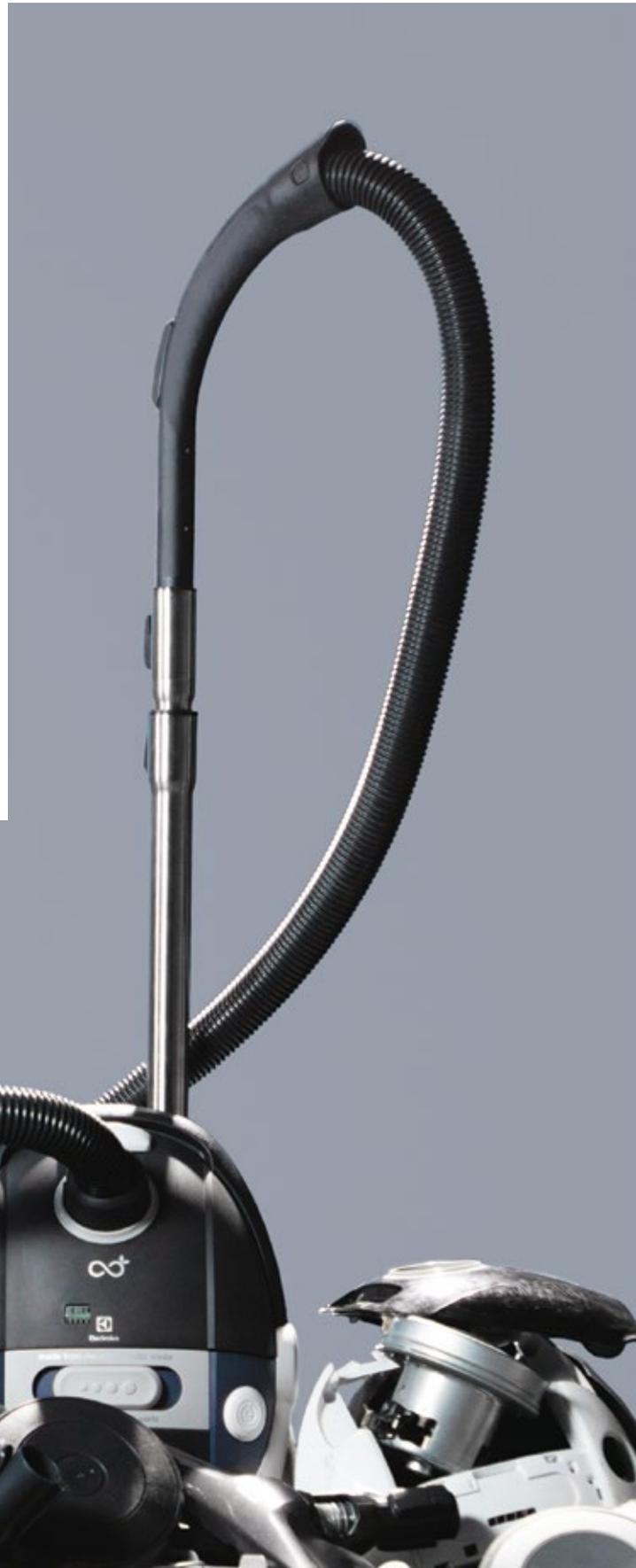


More than 400 million tonnes of plastic is produced globally every year, but less than 12% of this is made from recycled material. Due to this, it is difficult for manufacturers to access large volumes of safe, high-quality recycled raw materials.

In an effort to increase the pace, Electrolux has initiated a collaboration with Stena Recycling through the collaboration forum Circular Initiative. The objective is to increase knowledge so that the market for recycled plastic will work as well as the one for plastic produced from virgin resources.

The first concrete result of this collaboration is a visionary vacuum cleaner that is one hundred percent made from recycled plastic and recycled components from electrical consumer products. The prototype is one solution to improve the circularity of household products.

By 2030, all Electrolux products will contain at least 50 percent recycled material. Working on the prototype has provided important lessons for Electrolux's future innovation work on the way to circular business models.



100% RECYCLED AND RECYCLABLE

Electrolux is taking an important step towards circularity by developing a prototype that aims to drive change. Together with Stena Recycling, Electrolux has developed a vacuum cleaner that is made from 100 percent reused and recycled material. The plastic and components come from consumer products, such as hair dryers, vacuum cleaners and computers. The project addresses a number of recycling challenges by exploring circular solutions for household products.

“ We at Electrolux have made a strong commitment to reduce our climate impact by 2030, and circularity is a key factor in achieving this. The partnership with Stena Recycling is one of the important initiatives we have undertaken to drive ourselves and the industry forward, through knowledge sharing and innovation. We want to make it easier for consumers to make sustainable choices and, in order to succeed, we need a clear strategy for circularity.

Jonas Samuelson
CEO and Managing Director,
Electrolux

“ Swedish industry has all the right conditions to become a pioneer in circular flows. We have the knowledge, technically advanced recycling facilities and companies that are willing to lead the way in circular production. I am proud of what we have achieved in the partnership with Electrolux. It is an important step towards a future where circular materials play an important role in the manufacturing industry.

Kristofer Sundsgård
CEO, Stena Recycling



MOVING UP THE WASTE HIERARCHY

In order to reduce environmental impact, it is vital to incrementally move waste up the so-called waste hierarchy. This five-stage model prioritizes waste treatment as follows:

1 Waste Prevention, 2 Reuse, 3 Recycling, 4 Bio-treatment (for example, composting food waste), 5 Energy recycling. Only if waste cannot be treated in any other way, should it be sent to landfill sites.



NEW TIMES REQUIRE NEW SOLUTIONS

The world is changing at a rapid pace. Almost all markets and industries are affected by new customer demands, extensive technological development, digitalization, changing regulations and increased awareness of climate change.

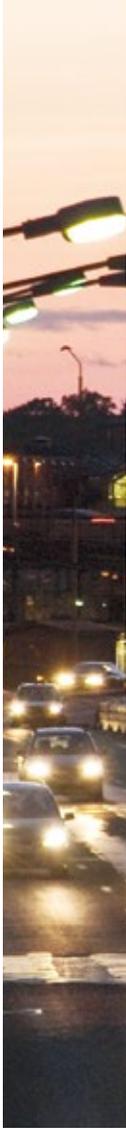
These changes affect offerings, business models and internal processes.

They create challenges – but also great opportunities for those who dare to pursue new directions.

Through a strong focus on innovation, proactivity and collaboration, we help our customers make better use of their hidden resources. In this way, we help to increase their competitiveness – but also to build a more circular economy and stimulate sustainable development overall.

A CHANGING WORLD

Stena Metall's markets are significantly affected by several major factors and trends. The foremost are the ongoing climate change, increased environmental awareness, changes in legislation, and rapid, extensive digitalization.



CLIMATE CHANGE, POPULATION GROWTH AND RESOURCE SCARCITY

Climate change and its consequences are one of the greatest challenges of our time. Slowing down this negative spiral requires the reduced use of fossil fuels and a more responsible use of resources overall. Continued population growth and increasing knowledge about the climate impact of resource use is promoting the use of sustainable, recycled materials and supporting a transition to circular solutions. At the same time, some technical innovations may lead to shortages of certain raw materials, for example, the cobalt and rare earth metals used in batteries and electronics. The limited availability of these raw materials makes for high demands on recycling and reuse capabilities.

INCREASED ENVIRONMENTAL AWARENESS AMONG CUSTOMERS, END CUSTOMERS AND EMPLOYEES

Awareness about the consequences of climate change has led to an increased interest in sustainability among consumers. Taking responsibility and acting in a socially and environmentally sustainable way improves what we can offer customers. It also makes it easier to retain and recruit employees.



CHANGING LEGISLATION CREATES NEW DEMANDS

The review and adaptation of regulations is underway at various levels, in support of the transition to a more circular economy and more sustainable development overall. Central to the EU's joint action plan is the revised Waste Framework Directive. In addition, work is underway on the implementation of a new EU common plastics strategy and stricter IMO rules on the sulfur content in marine fuels.



NEW OPPORTUNITIES FROM DIGITALIZATION AND RAPID TECHNOLOGICAL DEVELOPMENT

Rapid digitalization and extensive technological development have a major impact on society, companies and individuals. Increased transparency, faster information flows, increased use of sharing services and a higher degree of automation are leading to major changes and enabling completely new business models. In industry, all steps in the value chain are affected; product development, purchasing, logistics, supply of goods, offerings, marketing and customer dialogue.

AS OUR CUSTOMERS' REQUIREMENTS DEVELOP...

Increased demand for sustainable solutions that enable a circular economy

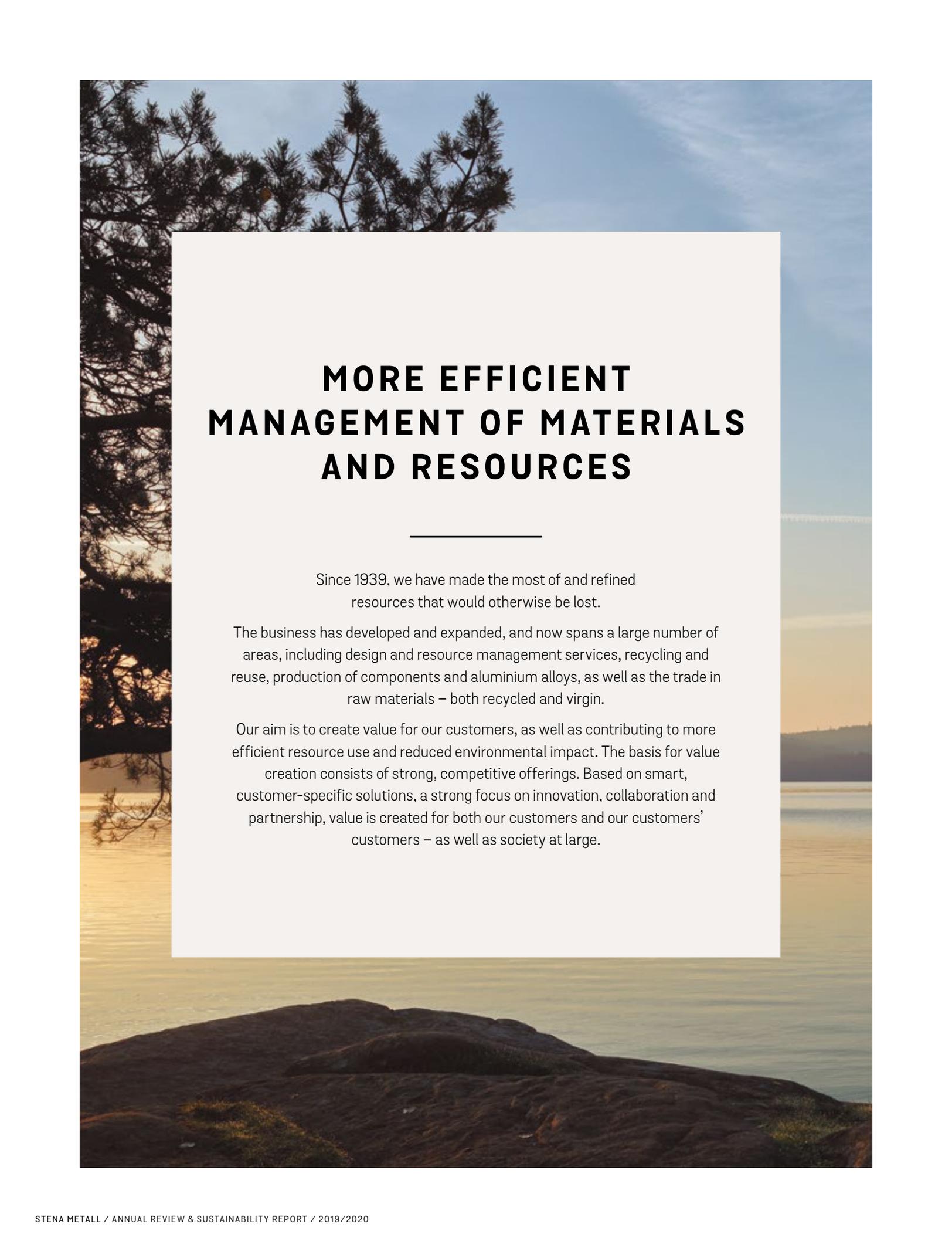


Increased need for collaboration and innovation



...WE DEVELOP TO MEET THEM

- Major investment in plastic recycling
 - Increased focus on battery recycling and reuse, including a new materials center.
 - Expanding offers in design and resource management
 - Production of circular raw materials from recycled materials and products
 - New services within recycling and reuse
-
- Close collaborations and joint development projects in sustainability and innovation with customers and partners, through the Circular Initiative and the Stena Recycling Lab.
 - Broad, extensive research programs, through collaboration with colleges and universities
 - Participation in national and international forums and expert groups
 - Development of digital services, such as customer portals



MORE EFFICIENT MANAGEMENT OF MATERIALS AND RESOURCES

Since 1939, we have made the most of and refined resources that would otherwise be lost.

The business has developed and expanded, and now spans a large number of areas, including design and resource management services, recycling and reuse, production of components and aluminium alloys, as well as the trade in raw materials – both recycled and virgin.

Our aim is to create value for our customers, as well as contributing to more efficient resource use and reduced environmental impact. The basis for value creation consists of strong, competitive offerings. Based on smart, customer-specific solutions, a strong focus on innovation, collaboration and partnership, value is created for both our customers and our customers' customers – as well as society at large.

STENA RECYCLING

RECYCLING,
REUSE AND
SERVICES IN DESIGN
AND RESOURCE
MANAGEMENT

STENA ALUMINIUM
STENA COMPONENTS
STENA OIL
STENA STÅL
HALOSEP

INDUSTRY AND
TRADE IN RAW
MATERIALS – NEW
AND RECYCLED



DEVELOPMENT
OF NEW SERVICES
AND CONCEPTS

STENA NEW VENTURES

INVESTMENTS,
LIQUIDITY AND
FINANCING

STENA METALL FINANS

COMMON VALUES

CUSTOMIZED SOLUTIONS

COLLABORATIONS AND PARTNERSHIPS

DELEGATED BUSINESS ACUMEN

STENA RECYCLING

INNOVATION IN RESOURCE MANAGEMENT

As the Nordic region's leading recycling company, Stena Recycling offers complete solutions in recycling and circular services, and plays an important and central role in the transition to a circular economy.

Every year, we recycle close to six million tonnes of material from over 100,000 customers in many different industries. New recycled raw materials are produced from a variety of waste types and end-of-life products. These are then resold and used to manufacture new products.

2,996

EMPLOYEES

14,675

REVENUE IN
SEK MILLION

62%

SHARE OF
THE GROUP'S REVENUE

EXTENSIVE RESEARCH AND DEVELOPMENT

Rapid technological development, in combination with changing consumption patterns and new legislation, place great demands on the continuous development of new, sustainable recycling methods. Stena Recycling invests extensive resources in research and development. These projects are conducted in close collaboration with customers, universities and colleges, as well as other research institutes.



Peter Rode is a production manager in cable granulation and is seen here with Alice Törnqvist, who is a communicator at the Stena Nordic Recycling Center in Halmstad.



EXAMPLES OF 2019/20 PROJECTS
> BATTERYLOOP

“We’re giving our bus batteries a second life

In a collaboration started this financial year between Stena Recycling’s subsidiary BatteryLoop and Volvo Buses, new life is given to end-of-life batteries from electric buses.. Instead of being discarded, they are reused for energy storage in, for example, house property and charging stations.

“Volvo Buses are carrying out pioneering work in electromobility. We have a clear sustainability strategy at all stages of the value chain and are now taking another step by consistently reusing bus batteries. By giving the batteries a second life, we are using the earth’s resources in a better way. Through electromobility, we are creating new circular business systems, and this collaboration is a major step in the right direction.”

Håkan Agnevall, CEO, of Volvo Buses.

“We are happy and proud that Battery-Loop will have the opportunity to buy used batteries and develop this solution with Volvo Buses. In addition to reuse, the agreement also means we can guarantee safe, environmentally sound recycling, when the batteries are no longer useful for energy storage.

Through this, we’re offering a sustainable circular solution for Volvo Bus batteries. This collaboration also means that we can turn costs into a revenue for the customer.”

Rasmus Bergström, Managing Director of BatteryLoop.



THE HUB FOR CIRCULAR RAW MATERIAL SUPPLY

A more efficient and responsible use of resources contributes to both increased profitability and reduced environmental impact. Stena Recycling helps customers in most industries – everything from local authority operations, retailers and manufacturers to car dismantlers, engineering companies and hospitals. Ferrous and non-

ferrous metals, plastics and paper are recycled from a variety of waste types and end-of-life products. The recycled raw materials are then resold and used to manufacture new products. There is significant profit in replacing newly produced raw materials with recycled ones. Creating the best possible conditions for efficient resource

management requires well-considered processes at the early stages of product development. Stena Recycling helps customers to optimize their resource management throughout the production process – from manufacturing to recycling or reuse. This creates long-term solutions that benefit both customers and society as a whole.



> STENA NORDIC RECYCLING CENTER

A game changer in recycling

The hub of Stena Recycling's industrial material recycling infrastructure is the Stena Nordic Recycling Center in Halmstad, one of Europe's largest and most modern recycling facilities. Here, complex materials from customers in several countries are recycled from customers in several countries – in a better and more efficient way than ever before. In a steady stream, products from both households and industry are fed into the facility. It handles everything from computers, telephones and televisions to bicycles, cars and trucks. The common denominator is that the products consist of many different materials, putting great demands on us as recyclers.

The materials are treated in a series of technically advanced recycling processes. Everything is conducted at high speed and with the utmost precision. After the mills, magnets, sieves and sensors have done their job, a huge quantity of recycled raw materials are returned to industry in Sweden and the rest of the world.

The large amount of raw material it returns to industry, makes the facility an important cog in the circular economy and helps to make society more sustainable.

EXAMPLES OF 2019/20 PROJECTS

> NOVENCO AND DESIGN FOR RECYCLING

“We needed a competent partner to brainstorm ideas with

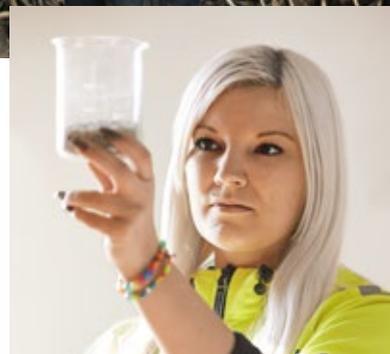


Lars Erik Knaack, CEO of NOVENCO Building & Industry.



STENA RECYCLING LAB

The Stena Nordic Recycling Center has a knowledge center for new recycling technology and the development of new products. The Stena Recycling Lab provides an innovation and collaboration arena for entrepreneurs, researchers and students. This enables them to act as a catalyst for innovation and enables shorter innovation cycles for new technology, products and services.



Peter Rode is a production manager in cable granulation and Alice Törnqvist, who is a communicator at the Stena Nordic Recycling Center in Halmstad. (above)

Louise Dahl is a quality manager in electronic plastics.

Creating the best possible conditions for efficient resource management requires well-considered processes at the early stages of product development. With the Stena Resource Management concept, Stena Recycling helps customers optimize resource management from production to reuse or recycling.

One of these customers is NOVENCO Building & Industry in Denmark, a leader in ventilation and air treatment systems. NOVENCO wanted to increase the recycling of its steel and aluminium and therefore needed a strong partner with the right mindset, deep material insight and experience of efficient waste management.

“Having access to Stena Recycling's knowledge and experience has been of great importance to us. The collaboration has led to us having a closed recycling loop for aluminium and other metals.”

Lars Erik Knaack, CEO of NOVENCO Building & Industry.

HIGHLIGHTS 2019/2020

Stena Recycling operates in Sweden, Norway, Denmark, Finland, Germany, Poland, Italy and the US. In addition, materials are recycled from several other European countries.



SWEDEN

HIGH DEMAND FOR DESIGN AND RESOURCE MANAGEMENT SERVICES

During the year, the major focus was on the continued development of design and resource management services, including life cycle analyses. Demand for knowledge and services in circularity continued to increase during the year. Circular collaborations were also started with ABB and Electrolux.

ESTABLISHMENT OF THE BATTERY CENTER

Development of the Stena Nordic Recycling Center continued during the year with, among other things, the establishment of a new battery center.

CONTINUED INVESTMENT IN PLASTIC RECYCLING

During the year, investment continued in the technology that enables the recycling of plastic into new raw materials and products. Interest in recycled plastic has increased sharply in recent years. The driving forces include increased awareness among customers and consumers about the impact of plastic on the environment, stricter legislation and new technical possibilities for recycling plastic.

SWEDEN'S MOST SUSTAINABLE RECYCLING COMPANY IN 2019

In 2019, Stena Recycling was named "Sweden's most sustainable recycling company" in the Sustainable Brand Index B2B study. This ranking is based on interviews with decision-makers in small and medium-sized companies. It's the third year in a row that Stena Recycling has been ranked at top of the index.

LAUNCH OF THE SUSTAIN-ABILITY HUB

Launched during the year, this knowledge bank aims to disseminate and share knowledge about sustainability and circularity among existing and potential customers. As knowledge leaders in the industry, Stena Recycling's experts gather articles and presentations about sustainability in the Sustain-ability Hub from four perspectives; sustainable business, sustainable production, product design and industrial waste.

DENMARK

STRATEGIC AGREEMENT WITH CARLSBERG FOR REFRIGERATOR RECYCLING

Sustainability is integral to Carlsberg's strategy, and through their Together To ZERO sustainability program, the company strives to completely eliminate carbon dioxide emissions from its breweries.

The systematic replacement of older refrigerators in bars and shops with new, more energy efficient ones, forms an important part of this initiative. The deal, agreed upon during the year, means that Stena Recycling now takes responsibility for the removal and recycling of old refrigerators.

COLLECTING 50 TONNES OF PLASTIC FILM

During the year, an agreement was signed with the online grocery chain nemlig.com, for plastic film recycling. When goods are delivered to customers, they are given the opportunity to return the plastic used in previous deliveries. The goal for this collaboration is to collect and recycle 50 tonnes of plastic film by the end of 2020.

COLLABORATION WITH BIL-RETUR

During the year, Stena Recycling Denmark entered into a collaboration with the Bil-Retur car recycling organization, which includes 14 of Denmark's largest car recycling companies. The collaboration ensures that 95 percent of a vehicle's weight is recycled or reused.

COLLABORATING ON THE UN SUSTAINABLE DEVELOPMENT GOALS

Stena Recycling in Denmark is one of 21 Danish industrial companies selected to take part in a

USA

During the year, Stena Metal Inc. continued to trade internationally in scrap metal, pig iron, hot briquetted iron, finished steel products and petroleum coke. Its headquarters are in Southport, Connecticut, USA. Its core business consists of pig iron sales, mainly from suppliers in Brazil. Most of its customers are located in Southeast Asia and North America.



project concerning the UN's Global Sustainable Development Goals. The project continued to generate attention from potential customers, as well as from the media and other stakeholders, during the year.

NORWAY

IMPROVEMENTS IN DOCUMENT HANDLING SERVICES

The establishment of Sikkerhetsmakulering AS during the year, strengthened services for shredding and destroying sensitive documents, digital storage units and archives.

INCREASED EFFICIENCY IN PRODUCTION AND SALES

During 2019/20, major focus was put on further increasing the efficient handling of customers' materials. This work is based on the group-wide lean-inspired programs Stena Way of Production (SWOP) and Stena Way of Sales (SWOS).

FINLAND

FOCUS ON EXPANDING OPERATIONS

During the year, the company continued to focus on broaden its services, not least in the areas of hazardous waste and electronics. At the same

time, a significant project to strengthen its presence in the Helsinki region was initiated, through investments in complementary facilities, among other measures.

RECYCLING WIND TURBINE BLADES

During the year, an agreement was signed with Siemens-Gamesa for the recycling of blades and bearings from wind turbines. The recycling market for these components is expected to increase as aging wind turbines require upgrading.

GERMANY

ISO 50001 RECERTIFICATION

In recent years, use of the ISO 50001 energy management system has led to improvements and efficiencies in energy performance.

AUDIT ON NEW ENVIRONMENTAL STANDARDS

During the year, audits were carried out at all the company's facilities in accordance with CENELEC's new standards for electronics recycling. The new standard, includes more stringent requirements for the handling of hazardous substances that must be prevented from escaping into nature.

POLAND

MAJOR INVESTMENTS IN ELECTRONICS AND PLASTICS

Major investments in improved recycling processes for electronics and plastics led to stronger market positions and increased resource efficiency during the year. In addition, the implementation of certified End-of-Waste processes for ferrous metals and aluminium has broadened its recycling services.

ACTIVE WORK ON UN SUSTAINABLE DEVELOPMENT GOALS

During the year, Stena Recycling Poland continued its work on the UN Sustainable Development Goals by, among other measures, participating in a national cross-industry initiative.

ITALY

PLANNING OF A LARGE NEW FACILITY

During the year, planning began on a new facility for plastics from electronic products (WEEE) in Angiari. This will be a twin to/similar to the facility in Halmstad that, among other things, will be able to produce plastic pellets from recycled raw materials.

STENA ALUMINIUM

ONE OF THE LEADERS IN RECYCLED ALUMINIUM

Stena Aluminium is one of northern Europe's leading producers of premium quality aluminium alloys from one hundred percent recycled aluminium raw material.

In addition to supplying aluminium alloys, technical support and consultancy, services are offered in metallurgy, construction and sustainable business solutions. Its customers mainly consist of foundries in northern Europe, manufacturing components for the automotive and engineering sectors. Its operations are conducted in Älmhult, Sweden.

88

EMPLOYEES

854

REVENUE IN
SEK MILLION

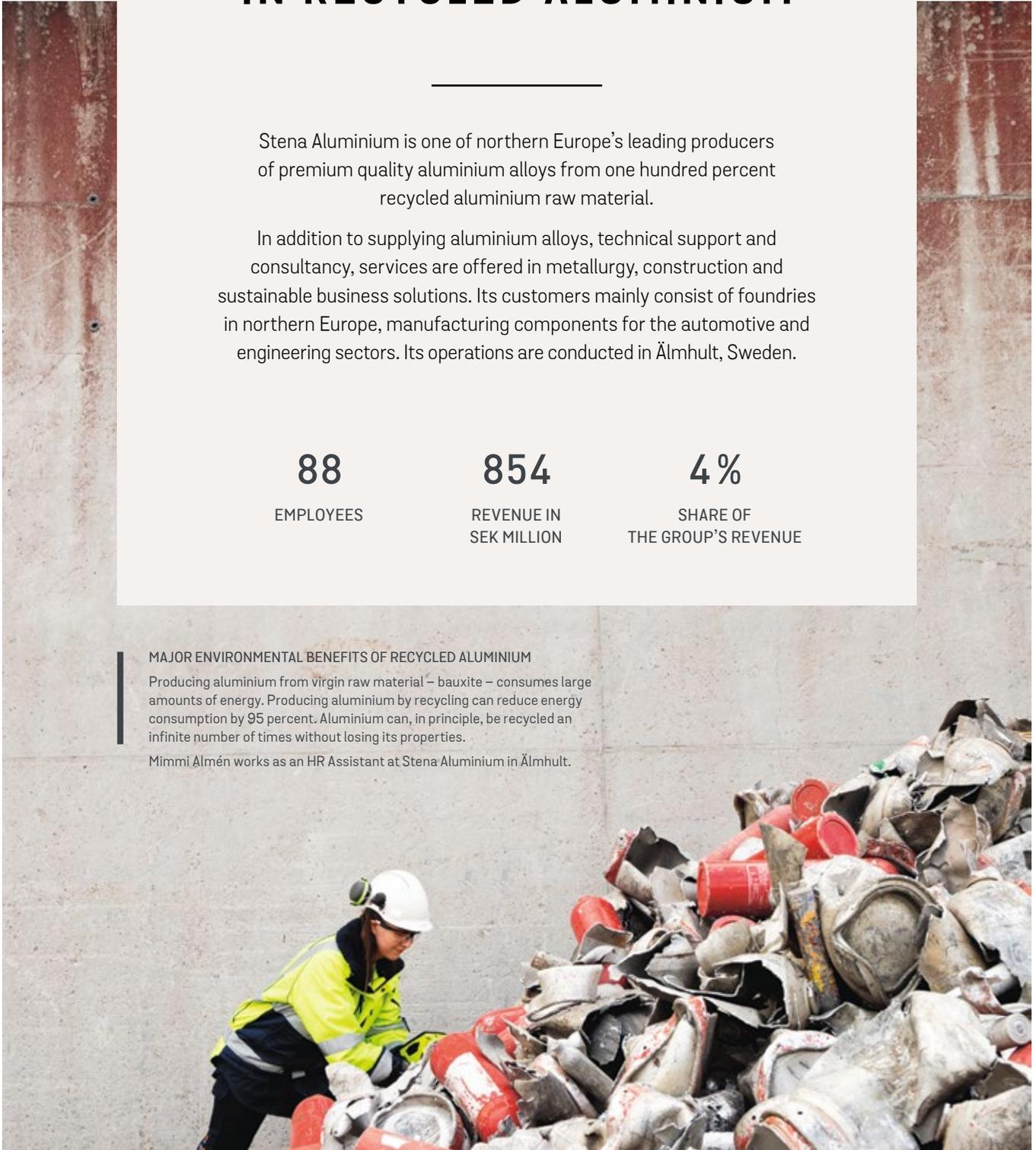
4%

SHARE OF
THE GROUP'S REVENUE

MAJOR ENVIRONMENTAL BENEFITS OF RECYCLED ALUMINIUM

Producing aluminium from virgin raw material – bauxite – consumes large amounts of energy. Producing aluminium by recycling can reduce energy consumption by 95 percent. Aluminium can, in principle, be recycled an infinite number of times without losing its properties.

Mimmi Almén works as an HR Assistant at Stena Aluminium in Älmhult.



“An aluminium loop made for sustainable companies

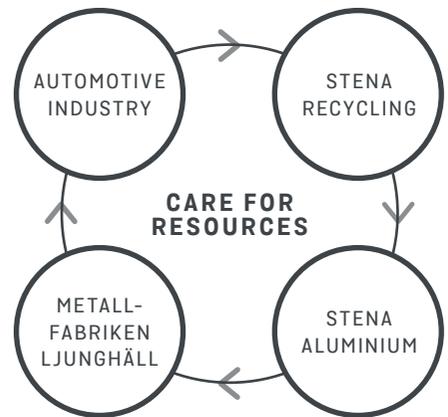


Therese Markström works as a safety and working environment manager at Stena Aluminium.

Stena Aluminium’s smelting facility in Älmhult produces approximately 70,000 tonnes of aluminium alloy each year. Its raw materials consists of aluminium production waste from industry and end-of-life products, such as cars and electronics. Among its largest customers is Metallfabriken Ljunghäll, one of northern Europe’s leading producers of prefabricated, die-cast aluminium components.

“Together with Stena Aluminium and our joint customers in the automotive industry, we have created a great loop. Aluminium from industry is reused, returned into circulation and used to manufacture new components. In addition to saving large amounts of energy, it also benefits end customers. All in all, this is a great example of how companies should be working with their resources.”

Lars Hagelberg, Acting CEO of Metallfabriken Ljunghäll



HIGHLIGHTS 2019/2020

CONTINUED FOCUS ON CIRCULAR PROCESSES

During the year, Stena Aluminium continued to develop solutions that enable circular processes. Major focus was also put on the development of new and existing customer collaborations, to increase the use of recycled aluminium in component manufacturing in the automotive industry, as well as other industries.

EXTRACTION OF ALUMINIUM FROM PRODUCTION WASTE

During the year, the company began extracting aluminium from the production waste of virgin aluminium producers. Stena Aluminium can now offer environmentally sound, effective and logistically efficient recycling services to Nordic companies producing primary aluminium.

LIQUID ALUMINIUM

Although most of its aluminium alloys are delivered as ingots, the company also offers aluminium in liquid form. In addition to the economic benefits for customers, it reduces energy consumption. Liquid aluminium also reduces carbon dioxide emissions by around 80 percent, in comparison to delivering ingots.

STENA STÅL

A WIDE RANGE AND HIGH AVAILABILITY

Stena Stål supplies a wide range of steel products to customers in Sweden and Norway. Through close collaborations with leading steel producers, products including beams, reinforcing bars, pipes, reinforced sheet and stainless steel, aluminium and special steels are offered. Its customers mainly consist of small and medium-sized companies in the construction and industrial sectors. As a complement to its wholesale business, it offers the adaptation and pre-treatment of steel products, based on customer-specific needs, either in-house or in collaboration with its partners. Among other services, cutting, abrasive blasting and painting is also offered.

225

EMPLOYEES

2,209

REVENUE IN
SEK MILLION

9%

SHARE OF
THE GROUP'S REVENUE





EXAMPLES OF 2019/20 PROJECTS

> JERNBRO

“We have shown we can be a strategic partner



Industrial service company, Jernbro, is Stena Stål's newest customer. Choosing Stena Stål as its supplier was due to a strong local presence and good nationwide coverage. Other decisive factors were the functionality of the webshop and the potential to make time saving and streamlining improvements.

“Seen from a holistic perspective, we have shown that we can be a strategic partner in this type of agreement. We offer a broad knowledge base, from market analysis and management to logistics and financial solutions. In the preparatory work that led to the deal, it was important to show Jernbro the competence and knowledge we have – at local level and across the company as a whole.”

Johannes Ahlstedt, Site Manager at Stena Stål in Lidköping

HIGHLIGHTS 2019/2020

CONTINUED DEVELOPMENT AND INVESTMENT IN E-COMMERCE

Development of Stena Stål's e-commerce solution continued during the year, with more product categories and increased functionality. In addition to Stena Stål's own stock, the company offers its customers direct access to several leading European partners. This combined offering results in the widest range of online products on the market, around the clock, all year round.

MAJOR FOCUS ON SUSTAINABILITY

In addition to ongoing internal improvement work, Stena Stål also actively enables sustainable purchasing for its customers. By encouraging fewer, combined deliveries, it is possible to optimize the transports, thus reducing overall

emissions. As part of the efforts to increase transparency and to encourage sustainable purchasing, during the year, a function to allow customers to view the climate data on its products when placing online orders was introduced.

MAJOR INVESTMENT AT THE VÄRNAMO FACILITY

During the year, a major investment was made in the sales and service center in Värnamo, where a large part of the processing of special steel is carried out. The investment included improvements to the facility itself, upgrading production lines and equipment, as well as a review of processes and working models. Overall, these measures will result in increased availability and greater possibilities in the customization of steel products.

STENA COMPONENTS

HIGH DELIVERY RELIABILITY AND SHORT LEAD TIMES

Stena Components offers customized steel components and advanced workshop expertise. Its fully equipped machine park has the capacity for advanced processing and its extensive stock range enables high delivery reliability and short lead times.

We supply everything from raw materials to finished products, through all steps in the processing chain – from designing, production and processing to finishing and distribution.

Its operations are conducted in Nybro, with customers, primarily, in Swedish and Nordic industry.

72

EMPLOYEES

127

REVENUE IN
SEK MILLION

1%

SHARE OF
THE GROUP'S REVENUE

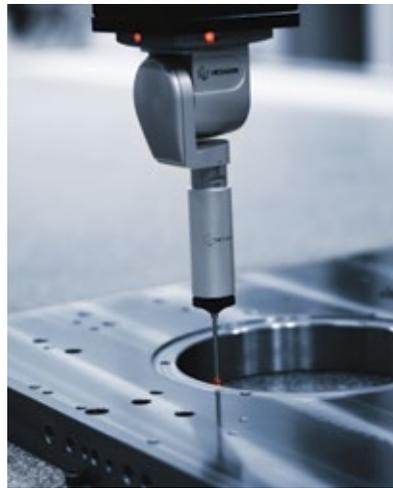
ANOTHER YEAR WITHOUT ACCIDENTS AT STENA COMPONENTS

Extensive and systematic safety work is carried out at Stena Components. The result of this is clearly reflected in its Lost Time Injury Frequency (LTIF) figure, which has been 0 for the last three years. LTIF shows the number of accidents leading to sick leave of one day or more.



EXAMPLES OF 2019/20 PROJECTS
> **SPECIAL COMPONENTS FOR EMBA MACHINERY**

“Certain components require a premium partner



During the year the collaboration with EMBA Machinery, a world leader in the manufacture of machines for converting corrugated cardboard into cardboard boxes, was deepened.

“We manufacture some key components in-house, with our own machinery. For other key items, such as complex stands or cast and machined beams, we need a premium partner. We have chosen to collaborate with Stena Components due to their large machine park, quality-assured processes and technically knowledgeable employees. All in all, it means we get the quality we demand in our key components.”

Stellan Dunderberg – Vice President Operations EMBA Machinery AB

HIGHLIGHTS 2019/2020

SPECIAL COMPONENTS FOR HELSINGBORG’S NEW LANDMARK

During the year, Stena Components supplied machined quarto sheet metal for the new pedestrian and cycle bridge that links the Oceanpiren residential area with the center of Helsingborg. The bridge uses advanced construction techniques, with a combination of oblique cable and suspension bridge in steel. Stena Stål was responsible for the supply of a range of steel materials for this project.

MORE COMPLEX COMPONENTS – IN LARGER VOLUMES

During the year, major investment was made in new technology, including more efficient plasma cutting and advanced machining. These invest-

ments will lead to a broader offering and increased opportunities for the production of complex components in larger volumes – primarily for customers in the engineering and manufacturing industries.

CONTAINERS SUPPLIED TO OSKARSHAMN’S NUCLEAR POWER PLANT

During the autumn of 2019, the last in a series of specially designed containers were delivered to Oskarshamn’s nuclear power plant, which are used for the storage of demolition material. To meet current requirements and prevent radiation leaks, the walls are up to 15 centimeters thick.

STENA OIL

PRODUCTS AND SERVICES ADAPTED TO THE NEW SULFUR DIRECTIVE

Stena Oil is Scandinavia's leading supplier of bunker oil and total marine solutions to vessels in the Skagerrak, Kattegatt and North Sea area. With its own trading department and access to several long-term contracted bunkering vessels, it offers efficient delivery at any time.

22

EMPLOYEES

5,788

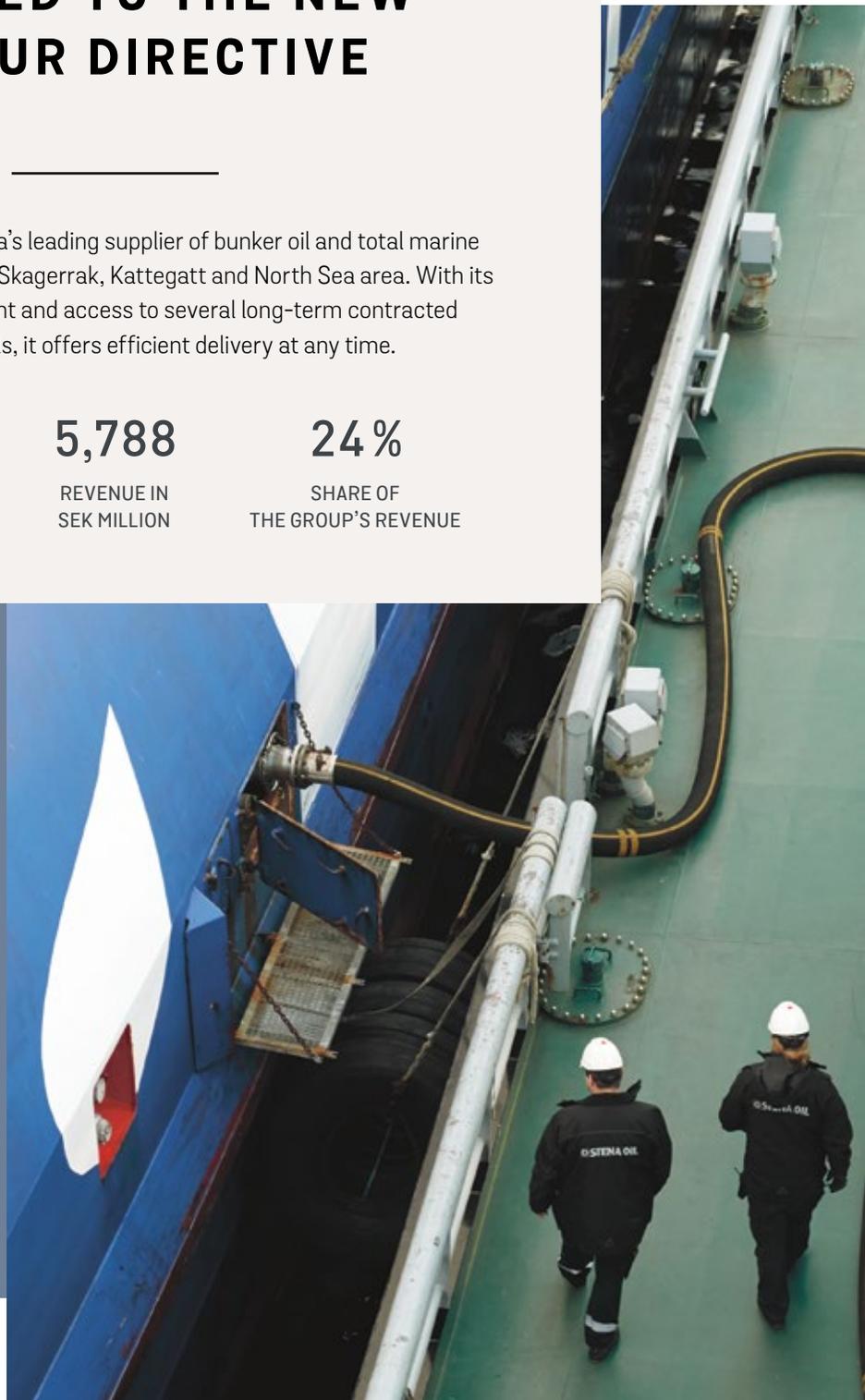
REVENUE IN
SEK MILLION

24%

SHARE OF
THE GROUP'S REVENUE

IMO 2020

In recent years, Stena Oil has carried out active work to adapt its fleet and services to the new IMO 2020 sulfur directive, introduced on January 1, 2020. The aim of the regulations is to reduce sulfur emissions from shipping by 85 percent.





EXAMPLES OF 2019/20 PROJECTS

> NEW TERMINAL IN FREDERIKSHAVN

“Increased flexibility and quicker delivery

During 2021, a new marine fuel terminal will become operational in Frederikshavn. With a 300 meter pier, capacity of 75,000 cubic meters and the capability to handle all grades of marine fuel, the terminal will be the largest of its kind in Scandinavia.

“Previously, the vessels departed from our base in the port of Gothenburg. Our new site at Frederikshavn, in Denmark’s northern Jutland region, brings us closer to our customers. This significantly increases the speed of fuel deliveries to ships in the Skagerrak and Kattegat. This location is significantly closer to the area where most bunkering takes place, leading to fuel savings and reduced emissions per delivery.”

Jonas Persson, Managing Director of Stena Oil.



HIGHLIGHTS 2019/2020

NEW BUNKER VESSEL UNDER CONSTRUCTION

A newly-built vessel, commissioned by Stena Oil, will be delivered in the fall of 2020. The ship is equipped with eleven cargo tanks and two slop tanks, significantly larger than any existing vessels in the fleet. This means we can offer a higher level of service, as the new ship does not need to return to the terminal as often. The ability to carry several types of bunker fuel meets new customer requirements, resulting from the introduction of the 2020 sulfur directive.

INCREASED COLLABORATION WITH EMSA

During the year, our agreement with the European Maritime Safety Agency (EMSA) was extended and expanded. Under the arrangement, Stena Oil will rapidly deploy ships and equipment for the decontamination of oil spills in Scandinavian waters and the southern part of the Baltic Sea.

HALOSEP

CLEANING AND REUSING FLUE GAS ASH

HaloSep is introducing cutting-edge technology to take care of and refine flue gas ash, which contains resources that would otherwise be lost.

HaloSep, which was previously run as a development project within New Ventures, became its own company within the Group in 2020.



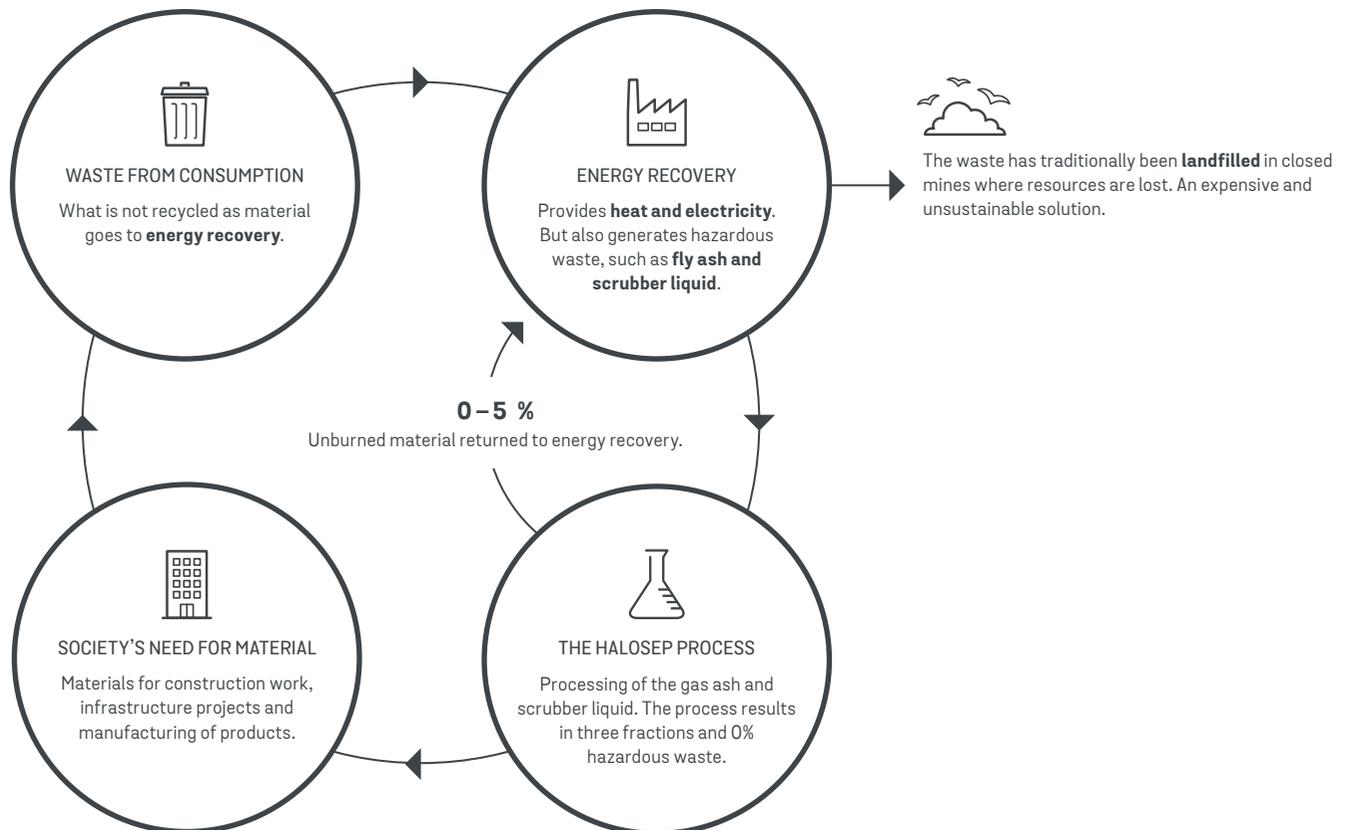
“From hazardous waste to resource

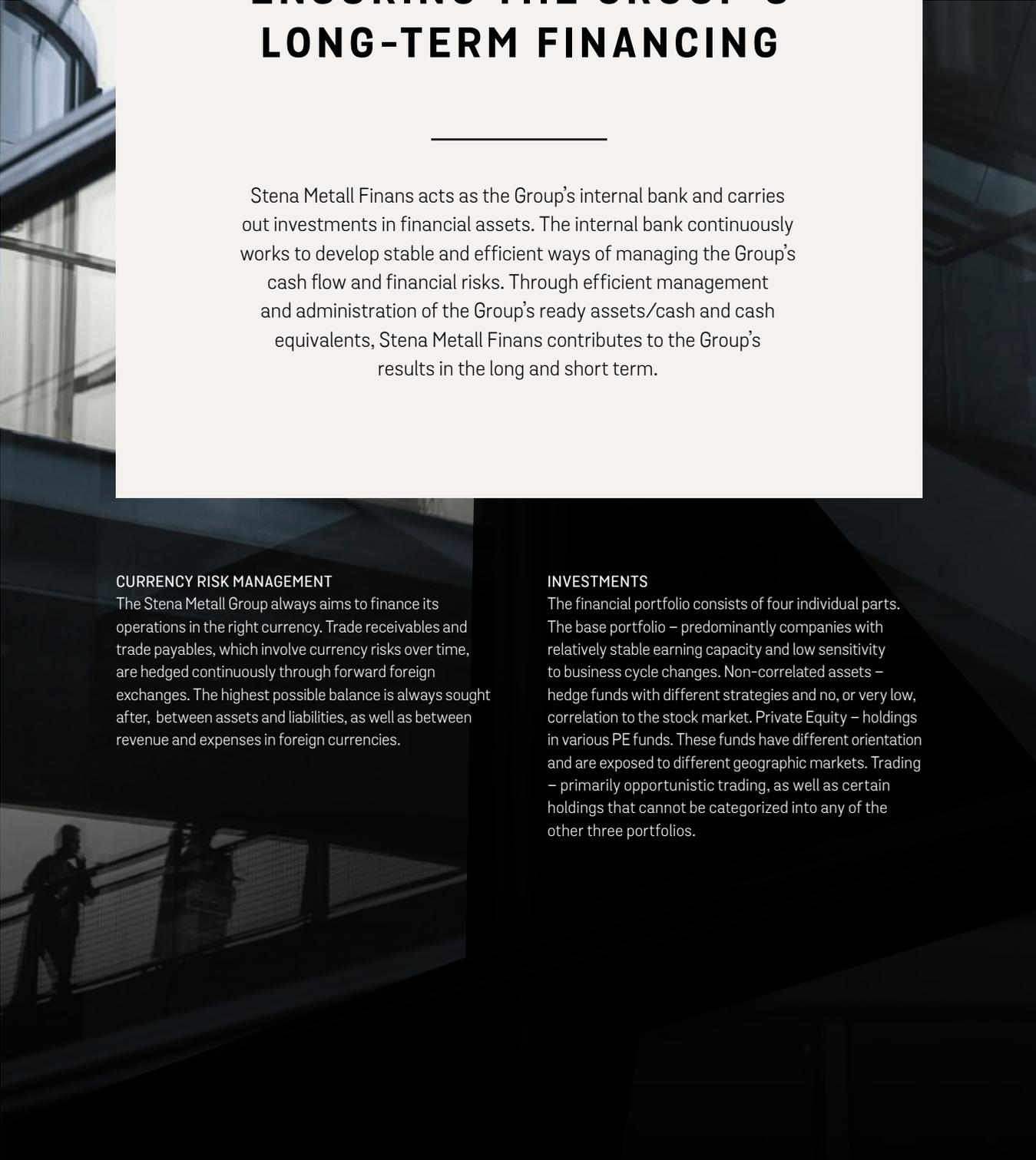
Many homes and premises today use district heating. Producing district heating and electricity through waste incineration is a efficient use of resources that otherwise would be lost. One challenging factor, however, is the large amount of flue gas ash produced, when purifying the resulting flue gases. In collaboration with Vestforbrænding in Denmark and financed by EU-LIFE, Stena Metall is establishing the world's first facility to separate out the salts and metals

contained in flue gas ash. The facility is being built in collaboration with one of Copenhagen's largest combined heating and power plants. Approximately 15,000 tonnes of ash will be treated each year, extracting zinc, other metals, road salt and purified ash. The process, called HaloSep, was a development project within New Ventures, before becoming a separate company within the Group in 2020.

“It's a win-win situation in many ways. The facility will reduce the amount of chemicals used in the purification process and the resulting ash will be free of heavy metals, such as cadmium, lead and zinc. Less ash will be produced overall and by meeting EU leachate/runoff requirements we can send the ash to local landfill sites and reduce transportation.”
 Staffan Svensson, Managing Director, HaloSep.

HOW THE HALOSEP PROCESS WORKS





STENA METALL FINANS

ENSURING THE GROUP'S LONG-TERM FINANCING

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. Through efficient management and administration of the Group's ready assets/cash and cash equivalents, Stena Metall Finans contributes to the Group's results in the long and short term.

CURRENCY RISK MANAGEMENT

The Stena Metall Group always aims to finance its operations in the right currency. Trade receivables and trade payables, which involve currency risks over time, are hedged continuously through forward foreign exchanges. The highest possible balance is always sought after, 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.

“Green credit facility finances recycling



In the spring of 2020, Stena Metall increased its green financing with a Green RCF (Revolving Credit Facility) of SEK 300 million. The purpose of the RCF is to finance the purchase of waste that can be recycled and become new raw materials. Work on green financing began in 2018, when Stena Metall issued its first green bond.

“Sustainability is central to our recycling operations and, together with industry, we are focused on developing a circular economy. Therefore, we are very happy to have more green financing measures in place. The purpose of the new green revolving credit facility is to finance the purchase of waste that can be recycled and become new raw materials. Circular materials avoid the extraction and production of virgin raw materials and significantly reduce CO² emissions.”

Peter Gustafsson, Managing Director of Stena Metall Finans.

HIGHLIGHTS 2019/2020

NEW LOAN AGREEMENT OF SEK 1,600 MILLION

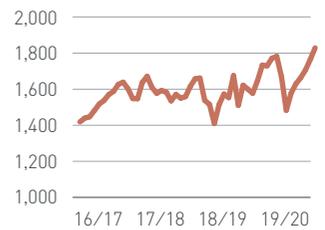
In the spring of 2020, a new loan agreement was made with Svensk Exportkredit (SEK). The agreement covers two loans, spread over four and five years respectively, with a value of SEK

800 million. The loans are documented/secured by the issue of bonds. In connection with the issue, the Stena Metall Group and SEK have also agreed to repurchase bonds of SEK 400 million, maturing in 2021.

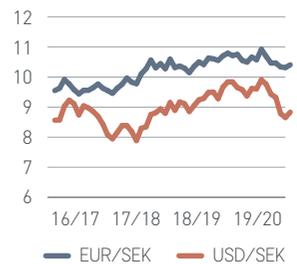
MORGAN STANLEY WORLD INDEX, USD



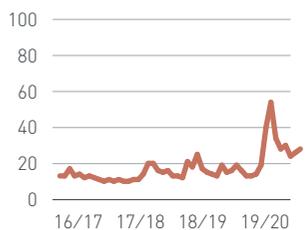
STOCKHOLM STOCK EXCHANGE OMXS30 INDEX



EXCHANGE RATES



VIX, VOLATILITY INDEX



STENA NEW VENTURES

DEVELOPING NEW BUSINESS OPPORTUNITIES

Stena New Ventures' aim is to identify and develop new areas of business. This may involve solving long-standing problems, assisting customers that require a whole new approach or developing business ideas that don't fit into any of our existing companies.

Stena New Ventures' operations are conducted in close collaboration with other businesses in Stena Metall.

“ Start-up of the Stena Recycling Lab

Established during the year, the Stena Recycling Lab functions as an innovation and collaboration arena. Here entrepreneurs, partners, researchers and students have an opportunity to develop future recycling technology and new products together with Stena Recycling. The lab is located in Halmstad, in the heart of the Stena Nordic Recycling Center.

“We are driven by our passion for innovation and a belief that collaboration is the key to development in a complex and constantly changing world. The lab will enable collaborations that create future recycling technology and develop sustainable materials and products.”

Mats Tarring, Managing Director



HIGHLIGHTS 2019/2020

BETTER MONITORING OF RUNOFF/LEACHATE WATER

Together with the lab analysis company Biolmpakt AB, processes and methods were developed during the year to better evaluate the risks of runoff/leachate water from matter, through bioanalysis. The aim is to increase the recycling rate and achieve better monitoring.

FURTHER DEVELOPMENT OF REAPPLI

During the year, a tool that enables property owners to sell appliances for reuse, was developed and is in use at selected municipal recycling centers.

REUSE OF RUBBER

Within the framework of the Stena Recycling Lab, and in collaboration with Trelleborg AB, a process was developed during the year that makes it possible to use waste material from the production of EPDM rubber in new products.

HALOSEP AB AND BATTERYLOOP TECHNOLOGIES AB STANDING ON THEIR OWN TWO FEET

During the year, two projects that originated within Stema New Ventures set out on their own. Both HaloSep AB and BatteryLoop Technologies AB now operate as their own companies.

THE UN SUSTAINABLE DEVELOPMENT GOALS

Stena Metall's sustainability work largely overlaps with the UN Sustainable Development Goals and mapping has been carried out to clarify the ways in which the Group's operations contribute to them. In many cases, active work is conducted on these goals at company level. Stena Stål, for example, has woven them into its strategic work and Stena Recycling in Poland and Denmark has engaged in initiatives at national level to promote and contribute to work on the goals. See more about how Stena Metall contributes to the Sustainable Development Goals on p. 57



THE GLOBAL GOALS
For Sustainable Development

ABOUT THE REPORT

This is the Stena Metall Group's fourth sustainability report. It describes sustainability work carried out during the 2019/2020 financial year by Stena Metall AB and its wholly owned subsidiaries. The previous report was published in November 2019. The Group's operations are divided into seven business areas and operate from 200 locations in nine countries. No changes took place during the year that significantly affected the organization's operations, value chains or materiality issues. The sustainability report complements the Group's financial reporting by describing its ambitions, strategy,

governance, risk and opportunity assessment from a sustainability perspective. The Group publishes its sustainability report once a year and reports in accordance with GRI Standards Core, as well as its own indicators. A complete GRI index can be found on pages 62–65. The Group also refers to the UN's Sustainable Development Goals, the Global Compact's principles and uses the GHG Protocol for emission calculations.

The GRI report and statutory sustainability report are submitted by the Board of Directors of Stena Metall AB but do not form part of the

formal annual report documents. According to a decision made by the Board of Directors in 2018, its financial statements and the sustainability report are reviewed by an external party. The report, including the statutory sustainability report, is on pages 40–67. Environmental issues are described on pages 44–45, Social issues on pages 46–47, human rights and anti-corruption measures on pages 49 and 52. Sustainability risks for all areas are reported on pages 53 and key figures on pages 58–60. Unless otherwise stated, the information refers to the entire Stena Metall Group, including its subsidiaries.

STRATEGIC SUSTAINABILITY WORK

Stena Metall contributes to sustainable development by offering 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 SUSTAINABILITY AREAS

In order to structure its sustainability work and clarify its focus, Stena Metall works within four overall sustainability areas:

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 PAGE 42

RESOURCE EFFICIENCY

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



READ MORE ON PAGE 44

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 PAGE 46

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 common values, maintaining a local presence and conducting open dialogue with the outside world.



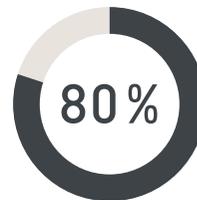
READ MORE ON PAGE 48

SUSTAINABLE VALUE

Strong offerings and a joint Group 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.

31

ONGOING COLLABORATIONS
IN RESEARCH AND
DEVELOPMENT



PROPORTION OF SATISFIED OR
VERY SATISFIED CUSTOMERS



CIRCULAR DESIGN AND ANALYSIS

In a collaboration with Ballingslöv, Stena Recycling has made a circular analysis of kitchens. It investigated, among other things, the opportunities and challenges that exist in increasing the reuse and recycling of kitchen products.

Between the Group's companies, value creation differs depending on the type of business they conduct. 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 the customers' sustainability work, increases profitability and aids the transition to a more circular economy. Stena Aluminium, Stena Components, Stena Stål and Stena Oil primarily creates 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.

INNOVATION, RESEARCH AND DEVELOPMENT

All Group operations have a strong focus on innovation and development. A large number of projects are conducted that aim to optimize resource use and reduce environmental impact, both internally and together with customers, colleges, universities and other partners.

From waste to raw materials, or new products

Several projects within our recycling business aim to increase the proportion of waste that can

be used as new raw material, or even converted into new products. Reusing batteries from electric buses and manufacturing floor covering from waste rubber are two such examples.

Professorship in industrial material recycling

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 competence and research center that gathers waste researchers from all over Sweden. Many research projects are conducted within the framework of the professorship, including research on lithium-ion battery recycling.

PARTNERSHIPS THAT CONTRIBUTE TO A CIRCULAR ECONOMY

The transition to a more circular economy requires more collaborations and partnerships within the private business sector and with academic institutions and political bodies. Through collaboration, exchanging ideas and a strong focus on innovation, it is possible to develop sustainable solutions that benefit all – companies, end customers and society as a whole. Digitalization and rapid technological development create completely new opportunities, in terms of analysis, process and results.

EXAMPLES OF 2019/20 PROJECTS
> COLLABORATION WITH HITACHI ABB POWER GRIDS

“We are now taking a holistic approach to recycling transformers



During the year, Hitachi ABB Power Grids and Stena Recycling entered into a long-term collaboration to recycle transformers. In addition to recycling materials, the collaboration also includes joint design work, which aims to ensure that future transformers will be optimized for recycling and reuse.

“Every year, around 200 power transformers are sold on the Swedish market, most of them replacing old transformers. In collaboration with Stena Recycling, we take a holistic approach to both design and recycling. We receive our

customers’ old transformers and Stena Recycling ensures that the material within them is returned into circulation, either by reuse or recycling. Hitachi ABB Power Grids aims to be at the forefront of technology, service and sustainability. Through this collaboration, we can offer our customers a sustainable, total solution that allows them to focus on their core business.”

Jenny Larsson, CEO of Hitachi ABB Power Grids Sweden AB

Circular consulting

Companies seeking a high degree of circularity must take a holistic approach that includes product design, resource optimization, working processes and waste management. Stena Recycling Sweden is launching a new initiative to help its customers achieve their circularity goals. Stena Circular Consulting aims to support customers at a strategic level with circular transformation and the design of circular products. It includes the Design for Recycling concept, which provides analysis and advice at the design and construction phases of products. By adopting a circular perspective at the design stage, products can be created that make less environmental impact throughout their life cycle, and be recycled or reused to a greater extent.

CUSTOMER SATISFACTION AND QUALITY

Customers’ experience of value creation is continuously monitored through ongoing dialogue. Most Group companies also conduct regular customer surveys to get feedback on perceptions of quality and service, and how services can be improved. For example, Stena Recycling conducts an annual customer survey in Sweden, Denmark, Finland and Poland. For each questionnaire answered, Stena sponsors tree planting through the Perfect World Foundation. The latest survey showed improvements in the Customer Satisfaction Index and the Net Promoter Score, two common indicators of customer satisfaction. For the Group overall, the proportion of satisfied or very satisfied customers during 2019/2020 was 80%.

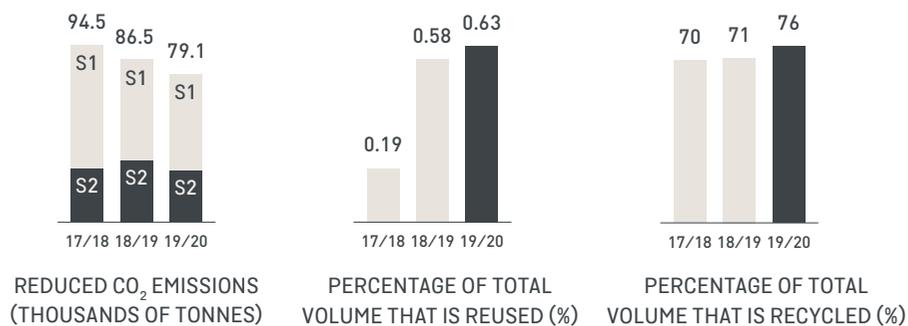
LONG TERM INVESTMENTS

In order to ensure profitability and enable long-term value creation, ongoing investments are made in both new and existing operations. During 2019/2020, major investments were made in the Stena Nordic Recycling Center and the creation of dedicated battery centers in several of Stena Recycling’s markets. Demand for expertise in battery recycling has increased sharply in the recent years and Stena Recycling’s ambition is to become a market leader in the field.

READ MORE SUSTAINABILITY INFORMATION
ABOUT VALUE CREATION ON PAGE 58

CONTINUED IMPROVEMENTS

Stena Metall carries out structured, long-term improvement work with a focus on continuously optimizing its own consumption of resources and, thereby, minimizing the climate impact of all its business areas.



ENERGY AND REDUCED CLIMATE IMPACT

Like all businesses, Stena Metall's facilities and operations consume energy and release carbon dioxide. The work to reduce environmental impact is conducted at local level, within each company. Overall in 2019/2020, carbon dioxide emissions were reduced by 9%, compared with the previous year.

Improvement work within Stena Recycling Sweden has reduced emissions, in absolute terms, by 26 percent, within Scopes 1 and 2 and for business travel. During 2019/2020, the continuing electrification program for machinery and overall improvements in production contributed to this reduced figure. Stena Aluminium optimized operations at its flue gas facility and made changes in its production set-up that helped reduce additive consumption and emissions.

The Group is also making concerted efforts to convert to the use of energy from renewable sources at its production sites and offices. Stena Recycling Sweden and Stena Stål exclusively use origin-labeled electricity, while Stena Recycling in Norway and Italy, as well as Stena Aluminium, partly use electricity from renewable sources.

The share of origin-labeled electricity used by Group companies, in the 2019/2020 financial year, amounted to 56% of all electricity purchased. This is an increase of 6% compared

with the previous financial year and the majority of the Group's facilities are now powered by energy from renewable sources.

TRANSPORTATION

Transportation accounts for a significant proportion of the Group's total climate impact. In all operations, structured work is underway to optimize and streamline logistics and resource flows. By making changes in transportation and machinery, Stena Recycling Sweden aims to reduce its carbon dioxide emissions by at least 85 percent by 2030. At Stena Recycling in Germany, transportation was made more efficient during the year by removing all transshipment stations, which reduced overall mileage.

Increased rail transportation

The greatest opportunities for improvement are in transportation between the companies' own facilities. Improvements are made through self-imposed requirements, optimization, better planning and combined shipments, as well as a gradual transition to fossil-free transportation, including trains. For example, Stena Aluminium implemented a new logistics solution that has transferred transportation outside the Nordic region from road to rail. In the past year, rail accounted for a third of their total transportation to Europe.

Stena Recycling is also working to increase the proportion of train use, as well as combined transportation. The company is gradually using more electrified trucks at its facilities, as existing machinery is replaced. In combination with the use of electricity from renewable sources, this has led to a significant reduction in emissions.

More sustainable ordering

Transportation to and from customers is primarily dependent on the customers' own flows and therefore more difficult to influence in the short term. However, several initiatives are being made to optimize customer orders from a sustainability perspective. Stena Stål is conducting one such project that encourages customers to place fewer, but larger orders and to group loads together from several suppliers. In this way, it is possible to reduce transportation overall, which reduces carbon dioxide emissions and, therefore, climate impact.

INCREASING RECYCLING RATES

Increasing recycling rates also improve the resource efficiency of Stena Recycling's operations. During 2019/2020 the proportion of materials reused or recycled increased by 6%, compared with the previous year, for all companies within Stena Recycling. This was driven by improved opportunities in soft plastics and



ELECTRIFICATION IN PROGRESS

The electrification of the machinery reduces fossil fuel consumption. Above, aluminium ingots are loaded with an electric forklift at Stena Aluminium

READ MORE SUSTAINABILITY INFORMATION ABOUT RESOURCE EFFICIENCY ON PAGE 58



electronics recycling, increased recycling rates for non-ferrous metals and the introduction of new equipment for cable granulation.

Recycled material often leads to significantly lower emissions of carbon dioxide, in comparison to material produced from virgin resources. Using recycled raw materials, therefore means that large quantities of carbon dioxide emissions can be avoided. During the year, Stena Recycling Sweden’s recycling operations reduced carbon dioxide emissions by 3.7 million tonnes, if compared to the corresponding amount of raw material being produced through the extraction and processing of virgin materials.

Projects with great potential are also being conducted in other business areas. Stena Aluminium is actively working to improve the possibilities for aluminium recycling. During the year, it obtained a permit to receive production waste from primary aluminium smelters, including solid waste deposits and slag. During the year, Stena Stål launched an online service that will provide opportunities to buy production waste at favorable prices.

MORE EFFICIENT USE OF WATER IN PRODUCTION

Systematic work is carried out to reduce water consumption throughout the Group. Among other things, rainwater is collected and used at

fragmentation facilities in Finland and at the Stena Nordic Recycling Center. A closed purification system has been installed at the Polish fragmentation facility, which can recirculate water for a month, before needing to be replaced. Total water consumption at the Group’s production facilities decreased by 5% during the financial year.

STRUCTURED WORK WITH CONTINUOUS IMPROVEMENTS

Important to the Group’s continuous improvement work 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 improvement work and harmonized working methods and have contributed to the Stena Metall Group becoming a learning organization, with safer, more cost-effective operations.

“Stena Recycling Sweden has halved emissions in absolute terms in scope 1 and 2 plus business travel since 2008, even though the company has been growing. This is clear proof that it’s possible to combine profitability with climate work. These efforts will continue, with tougher goals and increased focus, in order to meet our 2030 emissions target.”

Malin Baltzar, Sustainability Manager at Stena Recycling Sweden

FOCUS AREA: **PEOPLE AND CULTURE**

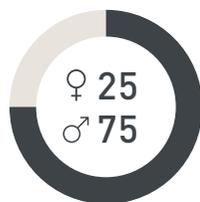


Andreas Aronsson (on the left) works as a supervisor in the paper/plastic section at Stena Recycling in Malmö. Ingela Andersson (on the right) is an administrator at Stena Recycling in Halmstad.

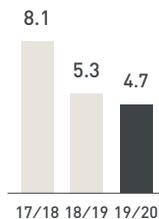


SAFE AND SECURE WORKPLACES

The success of the Stena Metall Group depends on committed employees with the right knowledge and skills to develop the Group's 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.



PERCENTAGE OF EMPLOYEES,%



ACCIDENT FREQUENCY

80 OUT OF **100**

LEADERSHIP INDEX

SIGNIFICANTLY FEWER ACCIDENTS AND INCIDENTS

Continuous work is carried out within the Group to limit the risk of incidents leading to injury, with the ultimate goal of zero accidents. Systematic work on safety and working environments include preventative risk identification and continuous follow-up. This is based on a group-wide framework, which companies work with based on their specific challenges and needs. The "Take five", "Safety walks" and "Time out for safety" initiatives fulfill important functions in overall efforts to promote a culture of safety. In order to generate engagement and commitment, workshops are conducted, using the NOSACQ – 50 diagnostic tool for measuring and monitoring safety climate in the workplace.

During the year, the accident rate decreased by 11%, due to extensive, systematic and sustainable work on safety and working environments, as well as an increased focus on risk analyses, among other measures.

CONTINUOUS SKILL DEVELOPMENT

Stena Metall's continued success is dependent on identifying, developing, attracting and retaining employees with the right skills and commitment. In all operations, therefore, continuous work is carried out to ensure that we are an attractive employer. This is achieved by offering competitive employment conditions and benefits, as well as opportunities for skill development and stimulating, safe and healthy working environments. In addition to extensive external recruitment, Stena Metall also enable internal mobility and career development.

New employee survey

The new employee survey, @Stena, was introduced during the year, which offers employees a more dynamic and accessible way to make comments and improvement suggestions. The survey maintains our focus on creating responsive and engaging working environments. Issues including organizational and social working environments, leadership, commitment and Employee Net Promoter Scores (eNPS) are measured and monitored at both group and company levels.

Partnership with ASAP

During 2019, Stena Recycling Sweden partnered with ASAP. A Sustainability Acceleration Project provides an arena for students, companies, experts and organizations to learn from each other and collaborate in accelerating the transition to a sustainable society. The partnership provides an opportunity for Stena Recycling to meet future leaders in sustainability and increase awareness about the potential to contribute to a circular economy, within the recycling industry.

DIVERSITY AND INCLUSION

The industries in which Stena Metall operates have historically been dominated by males and females are under-represented in certain parts of the business. Since the 2017-2018 financial year, the number of women in management groups and executive positions has increased by 5% per year, from 18 to 28 percent.

The Group's companies work actively to benefit from the creativity and value of a diverse workforce. Diversity is therefore an important focus area which is considered in the companies' recruitment processes.

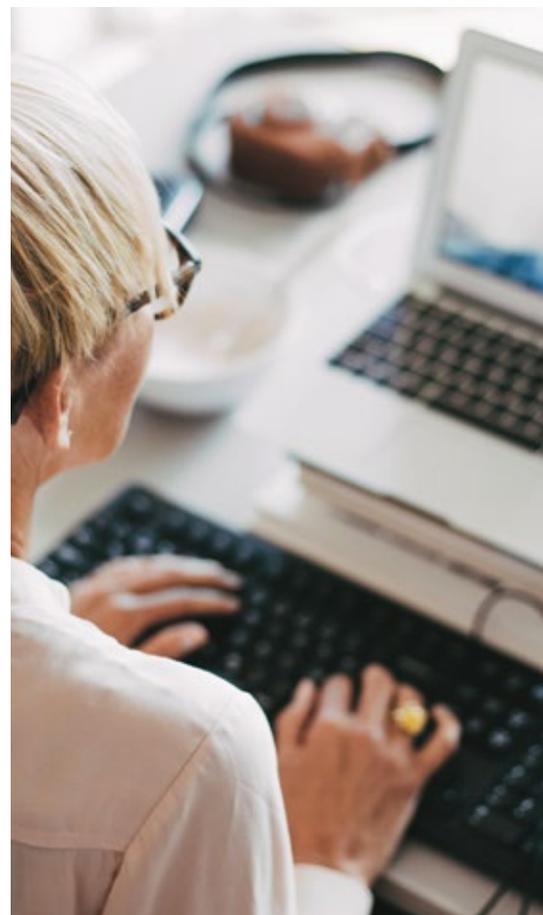
Collaboration with Mitt Liv

Since 2018, Stena Metall has broadened its recruitment process by collaborating with the Mitt Liv organization, which helps academics who have recently arrived in Sweden, find jobs that match their skills.

STRONG CORE VALUES AND CULTURE

Stena Metall's corporate culture is based on three core values – simplicity, reliability and development, as well as its code of conduct. These values permeate all operations and benefit customers, our own organization and society as a whole. The Group is characterized by decentralized business acumen, meaning that many decisions are taken in the parts of the organization that have close relationships with customers and other partners. This means that decisions can be made by those who are in the best position to find solutions to specific challenges and help customer realize their plans.

READ MORE SUSTAINABILITY INFORMATION ABOUT PEOPLE AND CULTURE ON PAGE 59



HOW STENA METALL HANDLES COVID-19

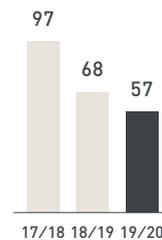
The spread of Covid-19 has profoundly affected the global community. Stena Metall has taken a wide range of measures to minimize the risk of infection. These include opportunities to work from home, prioritizing digital meetings, keeping work teams apart and maintaining safe distances between workstations. Stena Metall's recommendations are based on World Health Organization guidelines and advice, as well as the legislation and guidelines in each of the countries it has operations. Its recommendations are regularly updated by the Group's dedicated crisis group, which monitors developments continuously. Every decision has been based on the precautionary principle, in order to protect employees and customers, and ensure operations continue wherever possible.

DIALOGUE WITH THE WORLD AROUND US

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

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KNOWLEDGE FORUMS AND EXPERT GROUPS



CUSTOMER AUDITS OF FACILITIES



Stena Metall's relations with the outside world are governed by its code of conduct, adopted by its Board of Directors, and implemented in all operations. The code is based on the values of its principle owner and the UN Global Compact, regarding employee rights, the environment, corruption and human rights. The code covers both employees and business partners.

DIALOGUE AND COOPERATION

Stena Metall aims to be open, accessible and responsible, in dialogue and in collaboration, and contributes its competence in resource management and circular flows. Always in 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.

Forums and expert groups

Both the Group and its individual companies have a broad involvement in various knowledge forums and expert groups. At Group level, Stena Metall 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 two companies within Dansk Industri that pursue projects in line with the UN's Sustainable Development Goals. Together, the participants suggest strategic business developments that translate these goals into concrete initiatives.

Circular Initiative

The Circular Initiative was created in 2019 by Stena Recycling, in collaboration with Investor and partner companies, ABB, Electrolux, Combitech and Stora Enso, with the aim of developing circular material flows. Participating companies contribute with their expertise and collaborate on common goals, innovations and technological developments. Projects are conducted throughout the year and an annual event is held to inspire and present results. The first conference was held in Stockholm in the spring of 2019. The Circular Initiative 2020 was a digital event, due to Covid-19.

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,

Professor Robin Teigland and Jacob Wallenberg, Chairman of Investor, were interviewed during the Circular Initiative event.



READ MORE SUSTAINABILITY INFORMATION ABOUT RESPONSIBLE RELATIONSHIPS ON PAGE 60



colleges and universities. It also offers students help with degree projects and dissertations.

LEGAL COMPLIANCE, RISK MANAGEMENT AND ANTI-CORRUPTION MEASURES

A sound, sustainable business must engage with ethical, environmental and social issues. All Stena Metall operations, in addition to complying with applicable legislation, must be compatible with its code of conduct and the values of its principle owner.

Stena Metall encourages its suppliers, customers and other business partners to apply similar values and works actively to implement the Group's code of conduct throughout the value chain. All its companies work systematically to ensure compliance with applicable regulations, which is further strengthened by the implementation of a group-wide business system. Risk analyses are carried out regularly in a wide range of areas and at different levels of its operations. Read more about Stena Metall's management of sustainability risks on page 53.

STENA METALL GIVES AND RECEIVES AWARDS

- Stena Recycling Sweden was named "Sweden's most sustainable recycling company in 2019" in the Sustainable Brand Index (Business to Business). The award is based on interviews with decision-makers in small and medium-sized companies. This is the third year in a row that Stena Recycling has been at top of the index.
- In Poland, the Stena Circular Economy Award is awarded to students and companies with ideas and initiatives that promote the circular economy. Winning projects in 2020 included furniture made from electronic waste and biofuel produced from chocolate production waste.
- Stena Recycling Sweden awards an annual prize to students pursuing degree projects on sustainable resource management. This year, Anton Larsson and Jannick Mikkelsen received the award for their work on the automatic volume measurement of material stored in piles.

FEWER VISITS TO THE FACILITIES

It is common for customers to visit Stena's facilities and carry out audits on them. Significantly fewer customer audits were conducted during the financial year, as Covid-19 prevented ordinary visits.

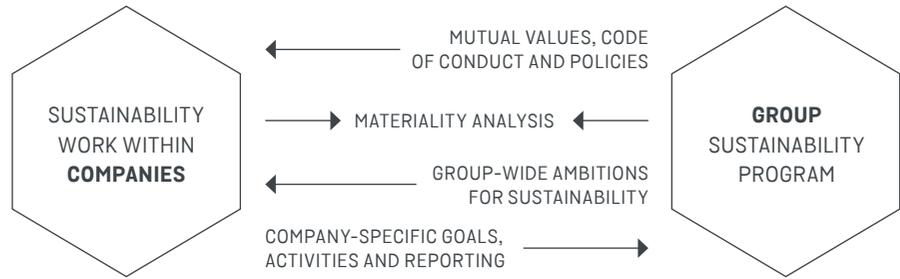
Therese Markström works as a safety and working environment manager at Stena Aluminium



OTHER SUSTAINABILITY INFORMATION

ORGANISATION OF 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 common areas of sustainability. Group companies are responsible for adherence to common values and contributing continuous improvement work within mutual ambitions.



ORGANISATION
 The Group has an organisational structure 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 the Group Sustainability Manager, with direct access to the Group’s 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 representatives of Group management. More important decisions from the Group’s decision-making bodies can be addressed by Group management and the Group’s Board of Directors. Certain issues, related to internal control, can be addressed by the Group’s Audit Committee.



FOLLOW-UP WITH COMPANY MANAGING DIRECTORS

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 ISO 45001 or OHSAS 18001 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 underway 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.

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. 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

Stena Metall's code of conduct and core values, together with the values in the principle owner's book, constitute general guidelines for all actions within the company.

The Group's code of conduct is based on the values of its principle owner and 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 was revised and adopted by the Board of Directors in 2017 and applies to the Group as a whole. All employees are required to read and understand its contents and it is readily accessible in all workplaces. As a complement, there is also a mandatory e-learning

program with additional guidance. The code of conduct forms part of the introduction for new employees and business partners. All employees in the Group must 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.

GROUP 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.

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 – European Recycling Industries' Confederation
 RE:Source Strategic Innovation Program
 Swedish Government Cooperation Group for Circular Biobased Economics
 Competence Center Recycling
 IREPAS (International Rebar Exporters and Producers Association)
 European Aluminium
 Svenskt Aluminium
 Gjuteriföreningen (Swedish Foundry Association)
 Gesamtverband der Aluminiumindustrie e.V. (German Aluminium Industry Association)
 Aluminium Danmark
 Återvinningsindustrierna (Swedish Recycling Association)
 European Electronics Recyclers Association
 European Recovered Paper Association
 Ref. group to the Swedish Government's Delegation for a Circular Economy
 Bureau of International Recycling (BIR)
 The Haga Initiative
 Stål- och Metallföreningen (Swedish Steel and Metal Association)
 Mekaniska Verkstädernas Riksförbund (Swedish Association of Mechanical Workshops)
 Stålbyggnadsinstitutet (The Swedish Steel Construction Institute)
 Dansk Industri – ARI
 DAKOFA (Waste and Resources Network Denmark)
 Forum for Cirkulær Plastemballage (Danish Forum for Circular Plastic Packaging)
 Technology Industries of Finland
 The Finnish Scrapdealers Association
 Finnish Car Recycling Association Ltd
 NOLLIS Finland (Zero Accident Forum)
 Izba Przemysłowo (Polish Chamber of Industry and Commerce)
 Forum Odpowiedzialnego Biznesu (Polish Responsible Business Forum)
 Polska Izba Gospodarki Odpadami (Polish Chamber of Waste Management)
 Skandynawsko-Polska Izba Gospodarcza (Scandinavian-Polish Chamber of Commerce)
 Norsk Industri
 Norsk Returmetallforening (Norwegian Metal Recycling Association)
 Utvalg for gjenvinning (Selection for Recycling - Norway)
 NFFA – Norwegian Association for Hazardous Waste
 NSO – Norwegian Security Organization
 EERA – European Educational Research Association
 ASSORAE – Italian Recyclers association
 BVSE – German Federal Association for Raw Materials and Disposal



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. Risk analyses, in sustainability-related issues, are carried

out within several different departments and take place at both Group and company level - for example, within the framework of the management systems that are used. Stena Metall's sustainability risks are a consolidation of the risks identified through a Group-wide risk mapping process. The last update was made in 2016-2017 and sustainability risks have been reviewed annually in connection with the Sustainability Report. No changes have been made during 2019-2020 from the previous year.

	Significant risks	Risk management
ENVIRONMENT		
Emissions to land, air and water when handling waste, materials and products	The companies' facilities and operations conduct industrial processes of various kinds that could cause emissions to land, air and water if they are not handled correctly, for example via wastewater or stormwater. There is also a potential risk of spillage or emissions as a result of accidents during internal and external transport, at sea or on land.	All Group companies apply the precautionary principle. They comply with permit conditions and environmental legislation. The majority of companies are ISO 14001 certified. Risk surveys are regularly carried out that lead to preventive measures, such as investments in technology, drainage, run-off surfaces, training 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. Supplier assessments are carried out on subcontracted haulage companies.
Violation of permits	Several of Stena Metall's operations require permits. In these cases, Group operations are dependent on compliance with the conditions of these permits.	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.
Climate impact of fossil fuel consumption	The energy consumed by Stena Metall's operations, in production, material handling and transportation, among other activities, makes an environmental impact. This energy comes partly from fossil fuels, leading to greenhouse gas emissions, and the risk of making a negative impact on the climate.	Group companies work independently toward environmental goals and energy efficiency, within the framework of their own operations. Energy surveys are continuously carried out, as are other energy efficiency measures, such as logistics optimization, energy saving projects, investments in energy-efficient machines and facilities, as well as the transition to renewable fuels or electric power from fossil-free sources.
SOCIAL MATTERS AND EMPLOYEES		
Insufficient working environment and safety measures	Many Stena Metall employees work in production environments where, among other things, machines and vehicles pose safety risks. Even office employees may face environmental risks, primarily from a psychosocial type.	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 or ISO 45001 certified.
HUMAN RIGHTS		
Human rights violations in the value chain	Stena Metall's value chains extend globally and include trading in raw materials across a large number of different markets. Both upstream and downstream, there may be risks of deficiencies in compliance and working conditions.	The Group's position on human rights is expressed in its code of conduct and its policy on Human Rights. Its companies work actively on the introduction of the code of conduct in the value chain and also carry out supplier assessments in the purchasing process. During the financial year, processes have been initiated to further develop monitoring of the code of conduct, downstream in the value chain.
ANTI-CORRUPTION		
Instances of corruption and unethical business practice	In all operations, there are potential risks that employees may be faced with situations leading to corruption or that are not compatible with the Group's code of conduct and values.	Although anti-corruption legislation differs between countries, Stena Metall conducts active prevention work. The Group's stance against corruption is clearly expressed in its anti-corruption policy and its code of conduct, which are communicated to all employees. Other proactive measures include training, risk analysis and continuous dialogue. Systematic monitoring and preventative measures are continuously developed.

OTHER SUSTAINABILITY INFORMATION

STAKEHOLDER DIALOGUE

Through continuous, open dialogue with its stakeholders, the Stena Metall Group is responsive to their expectations and needs, while continuing to develop the business with sustainability integrated in all parts. The most important stakeholders are groups most affected by, or that have the greatest influence on, the business.

Stakeholder dialogue provides a valuable basis for continuous improvement and choice of working methods within the Group's operations. The dialogue also provides important information on how the Group can develop services and offerings that can contribute to customers' sustainability work and business development.

During 2019-2020, customer dialogue continued, primarily through quality follow-up, service development and collaboration on new sustain-

able solutions. The results of this dialogue have led to new collaborations and in-depth work in existing areas.

During the year, the new employee survey, @Stena, was introduced, which aims to further develop employee dialogue in a more dynamic and accessible way. The new employee survey has changed the way employee and leadership indices are reported and affected the ability to compare them with previous years. Stakeholder dialogue has not otherwise been significantly affected the content of this year's report.

The review of materiality analysis, started in autumn 2020, includes stakeholder dialogue, with focus on sustainability issues, and will be a focus area for stakeholder dialogue in the 2020-2021 financial year.

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	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	
Government	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
		Preserving growing confidence
		Improving and expanding operations

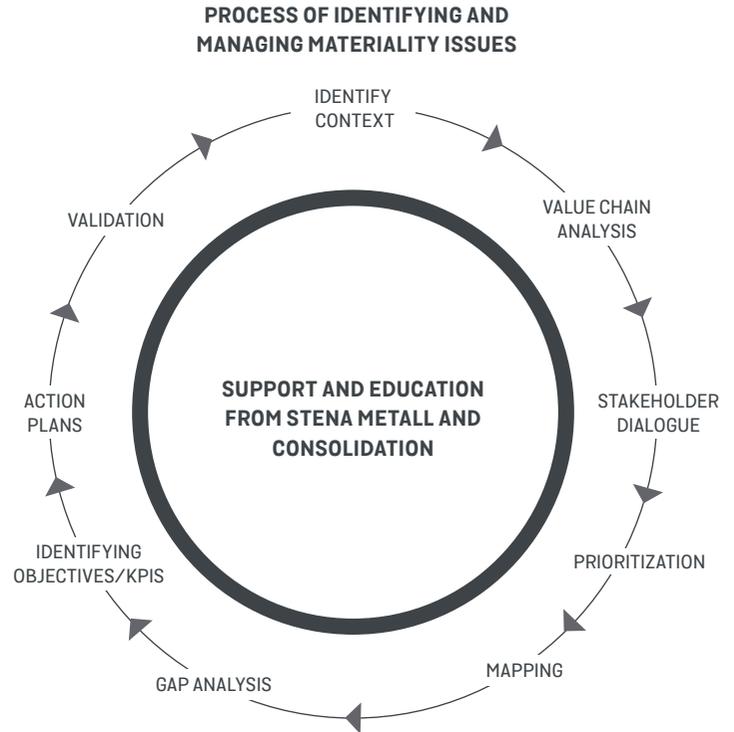
MATERIALITY ANALYSIS

Materiality analysis forms the basis for identifying the sustainability issues that are most important to Stena Metall. It is based on which sustainability issues are most important to stakeholders, as well as the Group's economic, social and environmental impact on the outside world. Materiality analysis enables a systematic prioritization of sustainability issues, which is vital for successful sustainability work.

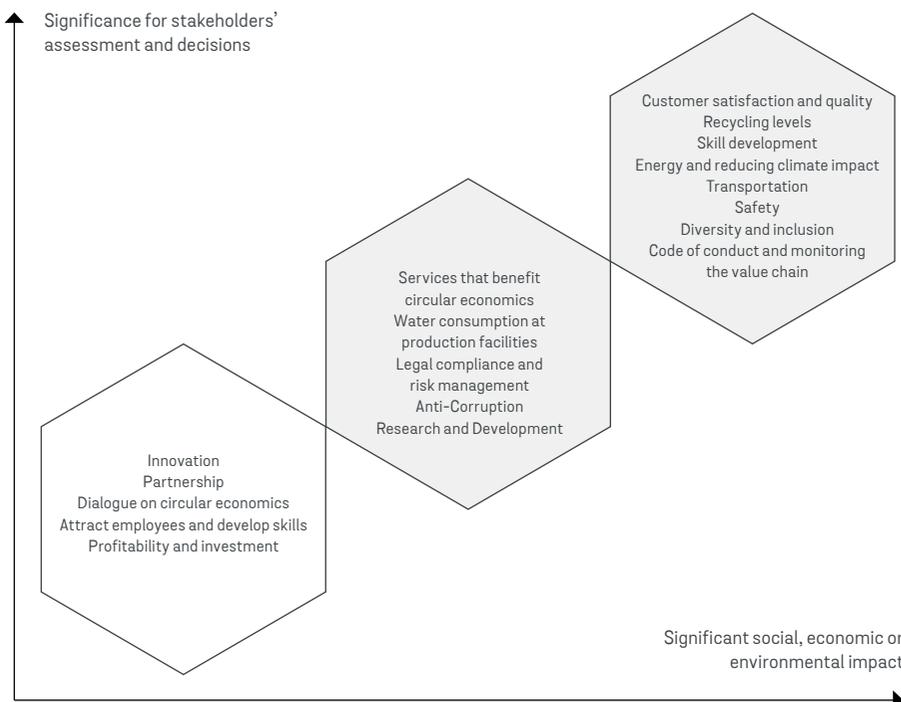
As each business in the Group causes different impacts, challenges, opportunities and conditions, materiality issues and strategic sustainability efforts are determined locally.

Materiality analyses within Stena Metall are, therefore, carried out in each company, and then consolidated into a group-level analysis. The results give the Group a strategic orientation and focus for its continued sustainability work.

The most recent materiality analysis was carried out in 2016 and has been periodically reviewed since. A new materiality analysis was undertaken in the fall of 2020, in order to ensure that its materiality issues are current and reflect the most important sustainability issues in the Group's operations and the outside world. There have been no corrections or changes to the materiality analysis that affect the content of this report.



MATERIALITY MATRIX



The materiality matrix groups issues based on levels of increasing materiality. The two upper hexagons show issues that have been found to have a higher degree of materiality, and provide a boundary for issues that are reported in detail on page 56.

OTHER SUSTAINABILITY INFORMATION

GOVERNANCE AND BOUNDARIES OF MATERIALITY ISSUES

Based on the results of the materiality analysis, Stena Metall's materiality issues are presented below.

Material issues	Sustainability areas	Topic Boundaries	Management Approach	Evaluation	Indicators
Services that benefit the circular economy	Value creation	The Group's combined service offering	Strategy plan	Recycling levels Design for Recycling	Recycling rate
Research and development		The Group's operations	Budget, Business plan for R&D	Completed projects Collaboration projects	Number of collaborative R&D projects
Customer satisfaction and quality		The Group's operations, suppliers, partners and customers.	Management system, quality certifications	Customer satisfaction Discrepancy management	GRI 102-43
Recycling Levels	Resource efficiency	Total management of waste resources from operations	SWOB/SWOP, investment plans	SWOB/SWOP Recycling levels	GRI 306 Recycling rate
Water consumption		The Group's Production facilities	SWOB/SWOP, investment plans	SWOB/SWOP Water consumption	GRI 303
Transportation		Fuel consumption in own operations	SWOB/SWOP, Environmental management system	SWOB/SWOP Discrepancy management	GRI 302 GRI 305
Energy and reduced climate impact		Energy and fuel consumption in own operations	SWOB/SWOP Environmental management system Investment plans	SWOB/SWOP Discrepancy management	GRI 302 GRI 305
Diversity and inclusion	People and Culture	The Group's employees	Code of conduct Diversity plans	Monitoring diversity plans	GRI 102-8 GRI 102-41 GRI 405
Skill development		The Group's employees	Code of conduct, Internal training programs, Individual skill development plans	Competence mapping Monitoring internal training programs Individual skill development plans	GRI 404
Safety		The Group's employees, as well as external consultants and visitors to the Group's facilities	Code of conduct Health policy Work environment and safety Group-wide safety framework	Accident and incident reporting Risk analyzes SAS NOSACQ-50	GRI 403
Code of conduct and monitoring in the value chain	Responsible relationships	The Group's operations, suppliers, partners and customers.	Code of conduct Human Rights policy Anti-corruption policy Training and education	Internal and external audit Legal compliance Training and education	GRI 205 GRI 307 GRI 419 Code of conduct
Anti-corruption		The Group's operations, suppliers, partners and customers.	Code of conduct Anti-corruption policy Training and education	Legal compliance Whistleblowing Training and education	GRI 102-17 GRI 205
Legal compliance and risk management		The Group's operations, suppliers, partners and customers.	Code of conduct, Risk analyzes	Legal compliance Risk management	GRI 307 GRI 419

Evaluation of performance indicators in this year's report has not led to any direct changes in the management of materiality issues.

OTHER SUSTAINABILITY INFORMATION

STENA METALL'S MATERIAL TOPICS

Stena Metall contributes to Agenda 2030 and the UN sustainable development goals. The table below describes the goals to which Stena Metall can most contribute.

Sustainable Development Goal	Applicable SDG targets	Stena Metall's contribution to fulfillment of the Sustainable Development Goals	Stena Metall's materiality issues
5. Gender equality		Stena Metall works for a more even gender distribution in its operations, especially in senior positions and among blue-collar employees, where there is a deficit of women. During the year, the proportion of women in both of these categories increased, see page 59.	Diversity and inclusion
6. Clean Water for all	 	The Group continuously invests in its production facilities, in order to ensure efficient water purification processes, as well as to reduce water consumption. Water consumption decreased during the year by 5%, see page 58.	Water consumption at production facilities
7. Sustainability for all		Active work to reduce energy consumption is conducted in all operations and goals for energy efficiency are set at company level. The Group's total energy consumption decreased during the financial year by 4%, see page 58.	Energy and reduced climate impact
8. Decent working conditions and economic growth	  	Stena Metall works actively to improve resource efficiency by returning more materials back into the circular economy. The Group conducts active safety work to create the safest possible workplaces for its employees. See pages 58 and 59.	Research and development Services that benefit the circular economy Recycling levels Safety
9. Sustainable industry, innovations and infrastructure		Ongoing investments in recycling infrastructure and business developments that contribute to the use of, among other things, industrial waste as a circular resource. Investments contribute to the improvement of recycling rates, see pages 58–59.	Services that benefit the circular economy Research and development Energy and reduced climate impact
11. Sustainable cities and communities		Group companies work to optimize logistics and reduce transportation emissions. Through efficient recycling processes, Stena Recycling helps ensure that waste can be handled in the best possible way. See pages 58–59.	Recycling levels Transportation
12. Sustainable consumption and production	  	Stena Metall works to improve recycling, in order to offer the best possible waste management solutions for its customers. This includes, among other things, the responsible handling of hazardous waste. The Group strives to move products up the waste hierarchy by, among other things, reusing components. See page 58.	Services that benefit the circular economy Recycling levels
16. Peaceful and inclusive societies		Based on its code of conduct and anti-corruption policy, Stena Metall works to counteract and prevent corruption through, among other things, training, risk analyzes and by implementing the code of conduct's values in the value chain. See page 60.	Code of conduct and monitoring in the value chain Legal compliance and risk management Anti-corruption
17. Implementation and global partnership		Stena Metall participates in a number of different partnerships, often with the aim of driving development towards a more circular economy. Stena Metall is a founding member of the Circular Initiative. Read more on pages 42–43 and 48–49.	Services that benefit the circular economy

OTHER SUSTAINABILITY INFORMATION

SPECIFIC DISCLOSURES

VALUE CREATION	2019/2020	2018/2019	2017/2018	Comment
GRI 102-43 Customer satisfaction				
Proportion of satisfied or very satisfied customers in surveys	80%	74%	71%	
GRI 102-7 The Group's results				See page 4 and The Stena Metall Group Annual Report 2019/2020

RESOURCE EFFICIENCY	2019/2020	2018/2019	2017/2018
GRI 306-2 Waste, by type and disposal method (tonnes) Defined in accordance with the Waste Directive (2008/98/EC)			
Non hazardous waste			
Reuse	34,786	34,543	10,434
Material recycling	3,837,270	4,168,165	4,289,592
Composting	76,131	212,964	217,857
Recycling, including energy recovery	780,942	817,031	874,219
Incineration	2,810	811	2,725
Deep injection	0	0	0
Landfill Deposition	264,866	265,707	276,012
Intermediate Storage	0	0	0
Other Disposal	5,898	11,566	10,406
Total	5,002,703	5,510,787	5,681,245
Hazardous waste			
Reuse	342	436	1,082
Material recycling	394,729	87,162	83,095
Composting	540	419	14,459
Recycling, including energy recovery	112,225	119,998	100,088
Incineration	7,221	6,235	7,650
Deep injection	0	0	844
Landfill Deposition	32,526	41,531	44,481
Intermediate Storage	0	0	0
Other Disposal	18,984	240,684	278,913
Total	566,567	496,465	530,612

Corrections have been made to the previous years' reported volumes.

RESOURCE EFFICIENCY, CONTINUED	2019/2020	2018/2019	2017/2018
GRI 302-1 Energy consumption (MWh) See the GHG protocol on page 40			
Fuel			
Non-renewable	154,600	157,300	180,900
Renewable ¹	65,800	79,800	89,200
Total	220,400	237,100	270,100
Electricity			
Source-marked hydro-electric power, windpower och biopower	77,600	68,300	55,700
Residual mix	60,200	68,600	65,300
Total	137,800	136,900	121,000
District heating			
District heating	18,700	18,800	16,900
Total	18,700	18,800	16,900
Total Energy Consumption	376,900	392,800	408,000
GRI 305-1 EMISSIONS (CO ₂ in tonnes)			
Direct (scope 1) GHG emissions²	50,900	53,100	65,100
GRI 305-2 EMISSIONS (CO ₂ in tonnes)			
Indirect (scope 2) GHG emissions³	28,200	33,400	29,400
Total CO₂	79,100	86,500	94,500

¹Mandatory reduction: Diesel 20%, Gasoline 2.6%, HVO100, RME, Wood pellets

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

³Electricity and district heating

Emission figures come primarily from the Haga initiative. Corrections have been made to the previous years' reported volumes.

GRI 303-1 Water (m ³)	2019/2020	2018/2019	2017/2018
Water consumption at production facilities			
From municipal water management systems	126,817	144,096	167,014
From groundwater	37,123	29,293	-
Total Water	163,940	173,389	167,014

Water consumption refers to production facilities. Corrections have been made to the previous years' reported volumes.

OTHER SUSTAINABILITY INFORMATION

RECYCLING RATE	2019/2020	
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.
Recycled material, total volume (tonnes) ⁴	2 583 066	
Recycling rate ⁴	75%	
CO ₂ emissions prevented, in comparison with use of virgin raw materials ⁴ (tonnes)	3 713 834	

⁴ These figures refer to Stena Recycling Sweden. Work is underway to implement corresponding calculation methods in other countries. Recycled material is defined as waste allocated for reuse, material recycling or biological recycling. The recycling rate is defined as the proportion of total material handled that is recycled according to this definition. Calculations for CO₂ emissions prevented are based on the differences between the energy consumed to produce different types of materials by recycling, in comparison to production using virgin raw materials. The differences in emissions between virgin and recycled raw material are mapped through available industry information and research.

PEOPLE OCH CULTURE	2019/2020	2018/2019	2017/2018
GRI 102-8 Number of employees, by region and gender			
Sweden	2173	2 235	2 273
Denmark	359	346	360
Norway	259	265	245
Finland	121	130	123
Germany	94	92	88
Switzerland	0 ¹	1	2
Italy	152	152	129
Poland	537	577	574
USA	2	2	2
Total	3697	3 800	3 796
Gender distribution:			
Women	25%	25%	24%
Men	75%	75%	76%

NUMBER OF EMPLOYEES, BY TYPE OF EMPLOYMENT	Total	Women	Men
Permanent employees	3 492	846	2 646
Fixed-term employees	205	72	133
Full-time employees	3 604	864	2 740
Part-time employees	93	54	39

The share of temporary employees during the year amounted to 10% and refers primarily to workers in production, but also includes office employees, for example, when covering absences due to illness or parental leave. No significant seasonal variations have occurred.

The average number of temporary employees is calculated as the number of hours per month worked by temporary employees, divided the number of hours per month worked by full-time employees.

¹ Only temporary employees

PEOPLE OCH CULTURE	2019/2020	2018/2019	2017/2018
GRI 405-1A Diversity in executive positions and management groups			
Gender distribution:			
Women	28%	23%	18%
Men	72%	77%	82%
Age distribution:			
< 30 years	0%	0%	0%
30-50 years	50%	54%	56%
> 50 years	50%	46%	44%
Refers to executive positions at Group and sub-group levels, as well as management groups at Group, sub group, subsidiary and IT levels.			
GRI 405-1B Proportion of employees, by category			
Proportion of office workers	48%	48%	49%
Gender distribution:			
Women	43%	43%	43%
Men	57%	57%	57%
Age distribution:			
< 30 years	12%	10%	9%
30-50 years	57%	60%	61%
> 50 years	31%	30%	30%
Proportion of blue-collar employees	52%	52%	51%
Gender distribution:			
Women	8%	7%	7%
Men	92%	93%	93%
Age distribution:			
< 30 years	16%	14%	15%
30-50 years	51%	53%	52%
> 50 years	33%	33%	33%

OTHER SUSTAINABILITY INFORMATION

PEOPLE AND CULTURE

	2019/2020	2018/2019	2017/2018
GRI 403-2 Injuries, work-related illnesses, lost working days, absence and work-related fatalities			
Number of accidents (personal injuries leading to sick leave, refers only to permanent employees, not temporary staff)	31	37	59
Numbers, by category:			
Slips and falls (not including falls from height)	7	6	16
Crushing injuries	6	13	14
Hit by object	6	4	11
Falls from height	4	4	4
Collisions, Vehicle-related	3	1	5
Physical strain injuries	2	1	4
Cuts, punctures, scrapes	1	2	4
Light exposure (welding)	1	-	-
Shock	1	-	-
Chemical exposure	-	5	-
Explosion or burn injuries	-	1	1
Fatalities	-	-	-
Accident rate (Number of personal injuries leading to sick leave, per million hours worked)	4,7	5,3	8,1
Severity of Accidents (Average number of days of sick leave, per accident)	15	14	10

Retroactive adjustments have been made to update figures where supplementary information has been received after compiling the report.

Sick Leave

(Leave resulting from illness in relation to regularly scheduled hours worked)

Office employees	2.0%	2.6%	2.7%
Blue-collar employees	5.6%	5.2%	5.3%
All employees	3.9%	3.9%	4.0%

GRI 102-43 Employee survey @Stena

Organizational and social working environment (index 0-100)	77
Leadership (index 0-100)	80
Engagement (index 0-100)	82
Employee Net Promoter Score (eNPS)	10

Historical data is missing, as the new survey was introduced in this financial year. The Employee Net Promoter Score is measured on a scale from -100 to 100.

GRI 102-41 The proportion of employees covered by collective bargaining agreements

The proportion of employees covered by collective bargaining agreements is around 75%. There are no collective bargaining agreements in Poland, Germany and for parts of the Danish organisation.

RESPONSIBLE RELATIONSHIPS

	2019/2020	2018/2019	2017/2018
GRI 307-1 Compliance with environmental legislation			
Number of confirmed violations	3	4	2
All of the three 2019-2020 violations concern administrative fines for deficiencies in transportation documentation (SEK 10,000). A review of routines, training and processes has been carried out and increased checks have been introduced, in order to prevent future occurrences.			

GRI 419-1 Compliance with social and economic legislation

Number of confirmed violations	-	2	1
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GRI 205-3 Confirmed cases of corruption

Number of confirmed cases	-	-	-
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Number of external audits

Number of external audits carried out at Group facilities by customers, based on customer requests	57	68	97
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The comparatively low number of external audits during the financial year is largely due to restrictions on physical visits resulting from Covid-19.

CODE OF CONDUCT

	2019/2020	2018/2019	2017/2018
Percentage of employees who have signed the Group's code of conduct	80%	77%	82%

Signing confirms that you have read and understood the content of the Group's code of conduct. This includes permanent employees and temporary staff who replace permanent employees. The previous years' figures have been adjusted retroactively, due to a correction in the measurement method. This deficiency will be remedied during the year.

Group companies work actively on implementation of the code of conduct in the value chain but there is no overall monitoring at group level. Work will continue so that this can be reported next year.

GRI 102-17 Whistleblower function

Number of cases reported	2	2	-
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Cases have been handled in accordance with the instructions and routines of the whistleblower function.



In the cable recycling section at the Stena Nordic Recycling Center, different types of cable are granulated and processed in an environmentally sound way by highly trained, experienced staff.

OTHER SUSTAINABILITY INFORMATION

GRI INDEX 2019/2020

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 Sustainable Development 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 signed 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 Sustainable Development Goals 9, 11 and 17 are reported in the four focus areas (pages 42–49), as the Group contributes to these goals through its activities and projects. Read more about Stena Metall's contribution to the UN Sustainable Development Goals on page 57.

GENERAL DISCLOSURES

GRI Standard	Description	Page no.	Comments	UN Sustainable Development Goals	Global Compact
GRI 101: Foundation					
GRI 102: General Disclosures					
Organisation's profile					
102-1	Name of the organization	40			
102-2	Activities, brands, products and services	6-7			
102-3	Location of headquarters	70			
102-4	Location of operations	6-7, 70			
102-5	Ownership and legal form	69			
102-6	Markets served	6-7, 70			
102-7	Scale of the organization	3-4, 6-7	Financial information about the size of the organization is available in The Stena Metall Group's Annual Report 2019/2020		
102-8	Information on employees and other workers	59-60		8	6
102-9	Supply chain	6-7, 22, 26, 28, 30, 32, 35, 38			
102-10	Significant changes to the organization and its supply chain	40			
102-11	Precautionary principle or approach	52-53			7
102-12	External initiatives	40			
102-13	Membership of associations	52			
Strategy					
102-14	Statement from senior decision-maker	8-11			
102-15	Key impacts, risks, and opportunities	16-17, 53-55			
Ethics and Integrity					
102-16	Values, principles, standards and norms of behavior	52		16	10
102-17	Mechanisms for advice and concerns about ethics	52, 60		16	

OTHER SUSTAINABILITY INFORMATION

GRI Standard	Description	Page no.	Comments	UN Sustainable Development Goals	Global Compact
Governance					
102-18	Governance structure	51			
Stakeholder Engagement					
102-40	List of stakeholder groups	54			
102-41	Collective bargaining agreements	60		8	3
102-42	Identifying and selecting stakeholders	54			
102-43	Approach to stakeholder engagement	54			
102-44	Key topics and concerns raised	54-55			
Reporting Practice					
102-45	Entities included in the consolidated financial statements	40	More information can be found in the Stena Metall Group's Annual Report 2019/2020		
102-46	Defining report content and topic boundaries	54-55			
102-47	List of material topics	55			
102-48	Restatements of information	58-60			
102-49	Changes in reporting	40, 55			
102-50	Reporting period	40			
102-51	Date of most recent report	40			
102-52	Reporting cycle	40			
102-53	Contact point for questions regarding the report	67			
102-54	Claims of reporting in accordance with GRI Standards	40			
102-55	GRI content index	62-65			
102-56	External assurance	67			

OTHER SUSTAINABILITY INFORMATION

GRI INDEX 2019/2020

SPECIFIC DISCLOSURES

GRI Standard	Description	Page no.	Comments	UN Sustainable Development Goals	Global Compact
GRI 200: Economic Disclosures					
Anti-Corruption					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	49, 54-56		16	10
103-2	The management approach and its components	49, 51-52, 56			
103-3	Evaluation of the management approach	56			
GRI 205: Anti-corruption					
205-3	Confirmed incidents of corruption and actions taken	60			
GRI 300: Environmental standards					
Energy					
GRI 103: Management Approach					
103-1	Explanation of the material topic and boundary	44, 54-56		7, 8, 12, 13	7, 8, 9
103-2	The management approach and its components	44, 51-52, 56			
103-3	Evaluation of the management approach	44, 56			
GRI 302: Energy					
302-1	Energy consumption within the organization	58			
Water					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	54-56		6, 14	8, 9
103-2	The management approach and its components	51-52, 56			
103-3	Evaluation of the management approach	45, 56			
GRI 303: (2016) Water					
303-1	Water withdrawal by source	58	Water consumption at all production facilities is calculated in m ³ . Offices are excluded, as reliable data is unavailable.		
Emissions					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	44-45, 54-56		3, 12, 13, 14, 15	7, 8, 9
103-2	The management approach and its components	51-52, 56			
103-3	Evaluation of the management approach	56			
GRI 305: Emissions					
305-1	Direct (Scope 1) GHG emissions	58			
305-2	Indirect (Scope 2) GHG emissions	58			
Waste					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	44-45, 54-56		3, 6, 12	8, 9
103-2	The management approach and its components	51-52, 56			
103-3	Evaluation of the management approach	44-45, 56			
GRI 306: (2016) Effluents and waste					
306-2	Waste by type and disposal method	58			
Stena Metall	Recycling rate of material handled	59			
Compliance with environmental legislation					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	49, 54-56		16	7, 8
103-2	The management approach and its components	49, 51-52, 56			
103-3	Evaluation of the management approach	56			

OTHER SUSTAINABILITY INFORMATION

SPECIFIC DISCLOSURES

GRI Standard	Description	Page no.	Comments	UN Sustainable Development Goals	Global Compact
GRI 307: Environmental Compliance					
307-1	Non-compliance with environmental laws and regulations	60			
GRI 400: Social disclosures					
Health and Safety					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	46-47, 54-56		3, 8	
103-2	The management approach and its components	47, 51-52, 56			
103-3	Evaluation of the management approach	46-47, 56			
GRI 403: (2016) Occupational health and safety					
403-2	Hazard identification, risk assessment, and incident investigation	60	In order for reported accidents not to be attributable to individual employees, accidents are reported in total and by category, but not divided by region and gender. The reporting includes permanent employees as well as temporary staff who work in similar roles to Stena employees. Accidents to non-employees visiting Stena Metall sites are registered and followed up on, but are not included in the statistics due to lack of information needed to include them in a comparable way (e.g. hours worked).		
Training					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	46-47, 54-56			
103-2	The management approach and its components	47, 51-52, 56			
103-3	Evaluation of the management approach	56			
GRI 404: Training and education					
404-2	Programs for upgrading employee skills and transition assistance programs	43	404-2 B is currently not applicable as redundancies due to lack of work are rare. Individual solutions are offered instead.		
Stena Metall	Number of employees who signed the Group's code of conduct	60			
Diversity and equal opportunity					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	47, 54-56		5, 8	6
103-2	The management approach and its components	47, 51-52, 56			
103-3	Evaluation of the management approach	47, 56			
GRI 405: Diversity and equal opportunities					
405-1	Diversity of governance bodies and employees	59			
Quality					
103-1	Explanation of the material topic and its boundary	42-43, 54-56			
103-2	The management approach and its components	51-52, 56			
103-3	Evaluation of the management approach	43, 56			
Stena Metall	Number of external audits at Stena Metall facilities conducted by customers	60			
Compliance with socioeconomic legislation					
GRI 103: Management Approach					
103-1	Explanation of the material topic and its boundary	49, 54-56		16	
103-2	The management approach and its components	49, 51-52, 56			
103-3	Evaluation of the management approach	56			
GRI 419: Socioeconomic Compliance					
419-1	Non-compliance with laws and regulations in the social and economic area	60		16	

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

This picture was taken at the Copenhagen Malmö Port, where Stena Recycling has been a recycling partner since 2016.



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 2019/2020. The company has defined the scope of the sustainability report, which also includes the statutory sustainability report, on page 40.

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 40 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, December 2, 2020
PricewaterhouseCoopers AB

Johan Rippe
Authorized Public Accountant

Åsa Ekberg
Sustainability Specialist, member of FAR

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Employee Representative

STENA METALL – PART OF THE STENA SPHERE

BUSINESS AREA*	STENA AB (PUBL)	STENA SESSAN AB	STENA METALL AB
FERRY OPERATIONS Profit SEK 14,286 million Share of Group revenue 23%	Stena Line		
OFFSHOREDRILLNING Profit SEK 2,439 million Share of Group revenue 4%	Stena Drilling Shuttle tankers		
SHIPPING Profit SEK 10,040 million Share of Group revenue 16%	Stena Bulk Stena RoRo StenaTeknik, NMG	Concordia Maritime (52%)	
PROPERTY SHIPPING Profit SEK 4,258 million Share of Group revenue 7%	Stena Fastigheter		
NEW BUSINESS Profit SEK 7,691 million Share of Group revenue 12%	Stena Adactum	Stena Sessan Fastighets AB Scandic (17%)	
FINANCE/OTHER Profit SEK 4 million Share of Group revenue 0%	Stena Finans		Stena Metall Finans
RECYCLING, ENVIRONMENTAL SERVICES & TRADE Profit SEK 23,658 million Share of Group revenue 38%			Stena Metall

The Stena Sphere is comprised of three parent companies, wholly owned by the Sten A.Olsson family - Stena AB (publ), Stena Sessan AB and Stena Metall AB - in addition to their wholly, or partly owned, subsidiaries. The partly owned company, Concordia Maritime AB (publ), which is listed on NASDAQ Stockholm, is 52 percent owned by Stena Sessan AB. In total, 19,200 people are employed in the Stena Sphere. Total sales amounted to SEK 60,245 million*. Profit before tax amounted to SEK 1,531 million.

*Figures relate to the period January 1 through December 31, 2019 – except Stena Metall's figures, which relate to the period September 1, 2019 through August 31, 2020.



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