ANNUAL REVIEW &
SUSTAINABILITY REPORT
2021/2022

# STENA METALL

ITALY

PMR Production Leader, Edoardo Ghizzoni, at Stena Recycling's site in Angiari.

**CONTENTS**



COVER PHOTO

Francesco Carta, Cool Production Responsible, and Nico Guarise, Cool Maintenance Operator, are both working at Stena Recycling's site in Angiari, Italy.

THE YEAR IN BRIEF

# STRENGTHENED POSITIONS DESPITE TURBULENT MARKETS

- Stena Metall Group reported an EBITDA result of SEK 3,644 million (SEK 3,062 million). EBT increased from SEK 1,947 million to SEK 2,470 million.
- Business area Recycling delivered, despite volatile market conditions, a strong result driven by a continued high demand for services within all product areas. EBITDA for business area Recycling ended at SEK 2,362 million (SEK 2,052 million).
- Stena Metall Finans issued its second green bond. The amount was SEK 1,000 million with a maturity of five years.
- Stena Aluminium, Stena Stål and Stena Oil delivered improved results.

**43,509**
MSEK REVENUE
2021/2022

**3,644**
MSEK EBITDA
2021/2022

### STENA RECYCLING COMMITS TO SET SCIENCE-BASED TARGETS

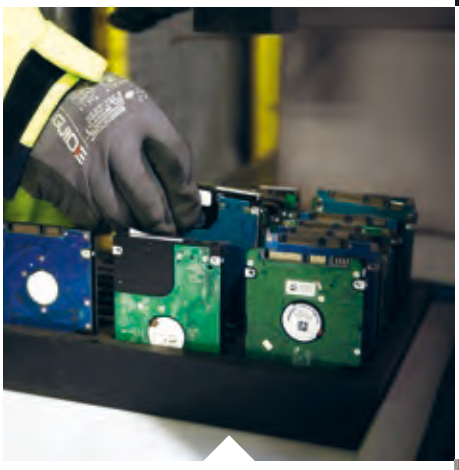
In January 2021, Stena Recycling Sweden committed to set targets in accordance with the Science Based Targets initiative (SBTi). In April 2022, Stena Recycling in Denmark, Norway, Finland, Poland, Italy, and Germany followed. Stena Recycling thereby commits to set science-based climate targets aligned with the 1.5°C ambition of the Paris Climate Agreement. Stena Recycling also commits to setting a long-term net zero target in accordance with the SBTi Net-Zero Standard to become climate neutral by 2050.

READ MORE ON PAGE 27

### CROSS-INDUSTRY PARTNERSHIP REGARDING HIGH-PRESSURE DIE-CAST (HPDC) ALUMINIUM ALLOYS

During the year, Stena Aluminium and Stena Recycling Norway entered a cross-industry partnership with Hydro Aluminium, one of the largest aluminium foundry alloy producers in Europe, Elkem, a world-leading silicon producer and Nemak, a world-leading automotive component producer. The partnership aims to develop HPDC aluminium alloys with improved properties and/or reduced $CO_2$ footprint to increase the use of aluminium in electrically-powered vehicles.

READ MORE ON PAGE 29 AND 32



### CONTINUED CLIMATE IMPACT REDUCTION

The climate-impacting emissions from Stena Metall Group's operations continued to decrease during the year. In overall terms, direct and indirect greenhouse emissions within Scope 1 and 2 fell by 3 percent. This development is a result of deliberate actions taken in several areas, not least in transport.

READ MORE ON PAGE 50–53


### CONTINUED INVESTMENTS IN RECYCLING OF PLASTIC, BATTERIES AND ELECTRONICS

During the year, Stena Recycling further increased its focus on efficient recycling of plastic, batteries and electronics. In Sweden, Italy and Poland, major investments were made in new production facilities that will provide for larger volumes, as well as new qualities. In all geographical markets, important steps were also taken to establish battery collection centers.

### KRISTOFER SUNDSGÅRD NEW PRESIDENT & CEO

During the year, Kristofer Sundsgård was appointed new President & CEO of the Stena Metall Group. On September 1, 2022, Sundsgård succeeded Anders Jansson, who has been Stena Metall Group's President & CEO for 23 years. Anders Jansson succeded Dan Sten Olsson as Chairman of the Board of Directors, who remains as a Member of the Board.

### STRENGTHENED POSITION THROUGH AQUISITIONS

Through the acquisition of Moreco Group AB, Stena Recycling Sweden expanded and strengthened its offering within recycling and reuse of IT infrastructure for data centers. In Finland, Stena Recycling signed an agreement to acquire Encore Environmental Services. The acquisition will enable a wider range of services and doubles Stena Recycling's operations in Finland.

READ MORE ON PAGE 29–30

### SOLID INTEREST IN STENA METALL GROUP'S SECOND GREEN BOND WITH TOP RATING

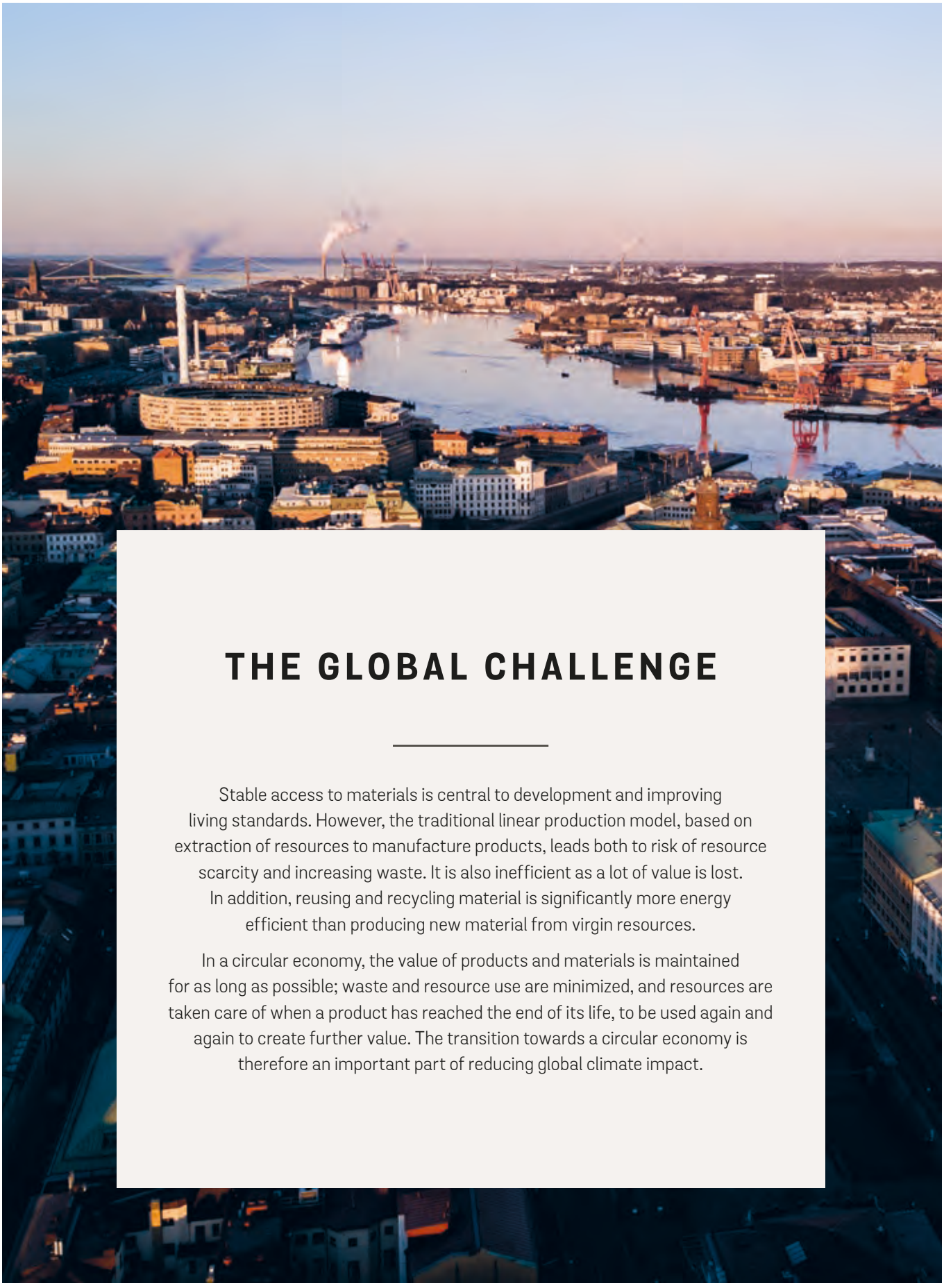
Stena Metall Group's second green bond with "Dark Green" rating, issued in April 2022, attracted solid interest from investors. The amount was SEK 1 billion and the maturity is five years. The money is targeted for sustainable investments in Stena Recycling, Stena Aluminium, and other circular projects within Stena Metall.

READ MORE ON PAGE 42

### INCREASED UNCERTAINTY IN THE GLOBAL ECONOMY

Strong industrial demand combined with disruptions in global supply chains, and Russia's tragic invasion of Ukraine created a price increase in raw materials and energy. This, in turn, created a basis that contributed to a sharp increase in inflation and consequently higher interest rates leading to market uncertainty.

READ MORE ON PAGE 8–9



# THE GLOBAL CHALLENGE

Stable access to materials is central to development and improving living standards. However, the traditional linear production model, based on extraction of resources to manufacture products, leads both to risk of resource scarcity and increasing waste. It is also inefficient as a lot of value is lost. In addition, reusing and recycling material is significantly more energy efficient than producing new material from virgin resources.

In a circular economy, the value of products and materials is maintained for as long as possible; waste and resource use are minimized, and resources are taken care of when a product has reached the end of its life, to be used again and again to create further value. The transition towards a circular economy is therefore an important part of reducing global climate impact.

# CONTRIBUTING TO A MORE CIRCULAR ECONOMY

The Stena Metall Group contributes actively to the development of the circular economy. We work in close collaboration with our customers and partners to achieve more efficient and smarter use of resources. Besides offering recycling and reuse services, we supply raw materials, steel products, marine fuels and aluminium alloys to customers all over the world. Our products and services create value that benefits everyone – customers, their customers, the environment, and society at large.

The Stena Metall Group operates in 200 locations and is present in nine countries: Sweden, Norway, Denmark, Finland, Poland, Germany, Italy, Switzerland, and the USA.

ITALY

Alexander Vistan works as Cool First Treatment Operator at the Cavenago site.

NORWAY

Cathrine Holter works as Administrative Assistant at the Ausenfjellet site.

POLAND

Roza Pawlak works as Demonter at the Wschowa site.

# OUR BUSINESSES

## RECYCLING, REUSE AND SERVICES IN DESIGN AND RESOURCE MANAGEMENT

### STENA RECYCLING

Stena Recycling is one of Europe's leading recycling companies, offering comprehensive solutions in recycling and circular services. Every year, around six million tonnes of waste and end-of-life products are recycled from more than 100,000 customers across a range of industries. By keeping resources in the loop, Stena Recycling plays an important and central role in the transition to a circular economy. Besides actual recycling, Stena Recycling also supports its customers in their development towards sustainable business models through its consulting business Stena Circular Consulting. Stena Recycling works with customers in most sectors, including manufacturing, automotive, retail, energy, transport & logistics, and municipalities.

READ MORE ON PAGES 24–31

## INVESTMENTS, LIQUIDITY, AND FINANCING

### STENA METALL FINANS

Stena Metall Finans serves as the Group's in-house bank. With continuous development of stable and efficient ways of managing liquidity and financial risks, as well as investments in financial assets and financing, Stena Metall Finans contributes to the Group's results in the short and long term.

READ MORE ON PAGES 42–43

## 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, based on 100 percent recycled aluminium. Customers mainly consist of foundries and most of what is produced is used for components in the automotive and engineering industries.

READ MORE ON PAGES 32–33

### STENA STÅL

Stena Stål supplies various types of steel products to customers in Sweden and Norway. Through close collaborations with leading steel producers, an extensive range of products is offered in areas such as beams, bars, pipes, rebar, sheet metal, stainless steel, aluminium, and special steel. Customers are mainly small and medium-sized companies in construction and industrial operations. In addition to the wholesale business, adaptation and pre-treatment of steel products according to customer-specific needs is carried out in-house or with partners.

READ MORE ON PAGES 34–35

### STENA OIL

Stena Oil is Scandinavia's leading supplier of marine fuels and comprehensive marine solutions for shipping companies operating in Skagerrak, Kattegat and the North Sea. Our skilled trading and operations staff, and modern long-term time-chartered bunker tankers and terminal operations, make efficient deliveries possible around the clock.

READ MORE ON PAGES 36–37


NORWAY
Dorian Rutka works as Operator at the Ausenfjellet site.

**BATTERYLOOP**

BatteryLoop develops mobile solutions that enable large-scale storage and the use of locally generated electricity. The company's system, BLESS™ (BatteryLoop Energy Storage System), consists of energy storage, energy management systems, and tools for data analytics. The solution makes it possible to store electricity from, for example, solar cells and then use it as needed.

READ MORE ON PAGES 38–39

**HALOSEP**

HaloSep introduces a cutting-edge technology to purify and refine hazardous waste from flue gas cleaning, known as fly ash and scrubber fluid, which arises from waste incineration at district heating facilities. Through the process, previously hazardous waste is converted into new, valuable resources, while at the same time significantly reducing the environmental impact.

READ MORE ON PAGES 40–41

**STENA NEW VENTURES**

Stena New Venture's mission is to identify and develop new business opportunities based on ideas both within the Stena Metall Group and through collaboration with, or investment in, start-up companies. This may be a customer need that requires a new approach, or a completely new business concept. Examples of companies that started in Stena New Ventures, and have developed into their own operations, are BatteryLoop and HaloSep.

READ MORE ON PAGES 44–45

# A CHALLENGING BUT STRONG YEAR FOR THE STENA METALL GROUP

The financial year 2021/2022 was another strong year for the Stena Metall Group. Despite turbulent and volatile markets, Stena Metall continued to strengthen its positions in several business areas. Profit before tax was SEK 2,470 million.

The past financial year has been characterized by uncertainties in the world. All our businesses have been affected by the Covid-19 pandemic, the war in Ukraine and rising inflation.

The continued disruption in global supply chains has been a significant factor that has affected most of our customers. Strong industrial demand, combined with disruptions in global supply chains, created a price increase in most raw materials in the first half of the year. Russia's tragic invasion of Ukraine led to a further rise in raw material and energy prices, which created a basis that contributed to a sharp increase in inflation and consequently higher interest rates, leading to market uncertainty in the second half of the year.

## EMPOWERMENT BUILDS A STRONG FOUNDATION

Given a year with many challenges around the world and volatile markets, our focus has been to sustain a safe and efficient organization with strong customer focus. We have also focused on internal improvements and continue to invest in new production processes as well as launching new digital services. Stena Metall's operating model, with delegated business acumen, empowers the organization to make decisions close to customers and operations where we can create value. This has worked very well during this volatile period. We have been able to quickly adapt to the changing market environment. Accordingly, we have once again been able to deliver a strong result as we reported an EBITDA of SEK 3,644 million.

Stena Metall is organized in three subgroups: Stena Recycling, Trade & Industry and Stena Metall Finans. All three groups, and their respective companies, have contributed positively to the financial result of Stena Metall. Our ambitions are to have leading market positions in all companies, to have top scores in customer satisfaction and a growing number of customers, to have a strong focus on financial targets, and to drive performance by using group structure to develop people, culture and processes.

## STENA RECYCLING IS DEVELOPING ITS POSITION AS A CIRCULAR PARTNER

Stena Recycling's strong network, with 159 branches, with strong material expertise, continuous improvements, focus on good customer service and operating capabilities, has performed very well during the past year. Stena Recycling has continued to strengthen its position in all countries and consolidated its position as the leading recycling company in the Nordic region.

The growing customer base has a strong demand for sustainable services and circular solutions. For the past 10 years, Stena Recycling has invested in new technology and production processes in order to refine waste to quality assured raw materials and grow the business. This position, as an industrial recycler, has been successful to meet the industry's requirements of recycled materials. Stena Recycling will continue to develop the position as an industrial recycler to become a circular partner to present and future customers.

We have launched several strategic initiatives in recent years. An example is Stena Circular Consulting, where we use material expertise and hands-on skills to support and advise our customers in strategic and operational ways. Read more about Stena Circular Consulting's collaboration with Polestar on page 16.

We also continue to develop our cooperation within the collaboration arena Circular Initiative. As a part of this, during 2021, we presented a new partnership with Alfa Laval to introduce a groundbreaking business model for boosting circularity in the heat exchanger supply chain. The initiative makes it possible for Alfa Laval customers to upgrade to a more energy-efficient heat exchanger and get a refund for returning an old one, which will be recycled.

In October this year, we completed the acquisition of Encore Environmental Services (Encore Yampöristöpalvelut Oy), which strengthens our position and doubles our operations in Finland.

This places us in a strong position when we will probably face tougher market conditions in the coming year.

## STRENGTHENED POSITIONS DESPITE TURBULENT MARKETS

Stena Aluminium has been able to achieve good margins and manage the volatile markets well. Performance has been at all-time high levels. Interest in secondary aluminium has continued to accelerate. During this year, more companies than ever before have reached out wanting to discuss how they can reduce their climate impact by using secondary aluminium instead of primary.

During the past year, Stena Stål has been operating in a turbulent market with rapid price movements due to disrupted supply chains. The acquisition of Abrahamssons Järn, made in the second quarter, has been a good contribution to


Stena Stål's strategic plan moving forward.

Stena Oil continues to operate the business with high volumes at all-time high levels despite one of the most turbulent years in the company's history. Sales in southern Sweden have increased during the year. The main reason is a new contract with DFDS and a shift of Stena Line's bunkerings from Liepāja in Latvia to Travemünde in Germany. Progress is being made in the on-going projects to achieve an even more efficient terminal setup in both Gothenburg, Sweden, and Frederikshavn, Denmark.

Our two newest companies in the Stena Metall Group, BatteryLoop and HaloSep, have strengthened their market positions further during the year and have developed from start-up to scale-up companies. BatteryLoop continues to grow and took an important step during the year with the frame and supply agreement with Mercedes-Benz Energy GmbH that enables BatteryLoop to provide 40 MWh until the end of 2023. HaloSep signed a very interesting agreement with Dutch company AVR during the year to explore the feasibility of local recycling of flue gas treatment material based on HaloSep's technology. The construction of the development facility in Gothenburg, Sweden is progressing.

Despite turbulent markets, Stena Metall Finans managed to deliver a good result. This is the result of continued discipline and a well-balanced level of risk in its financial investments. Stena Metall Finans also continues to develop our activities within green financing. In April we issued our second green bond with "Dark Green" rating, which is the highest possible rating among the shades of green reflecting the extent to which investments and operations contribute to a low carbon and climate resilient future. It is very satisfying to conclude that the bond attracted solid interest from investors, and that the analysis institute Cicero listed it among its best-practice examples in the waste and circular service category in its annual best-practice report as guidance for investors. With the green bonds we are fulfilling a need that the market is demanding, continuing to broaden the investor base, and consolidating our strong position in the Nordic bond market.

The uncertainty in the market will most likely continue for some time to come, and nobody knows what will happen regarding the development of the situation in Ukraine. However, we have a strong financial position, so we are well equipped to handle the situation in the best possible way. We also have a strong operational model that continues to strengthen us as we navigate through periods of market disruption and turmoil.

Kristofer Sundsgård
Gothenburg, November 2022

> Make it easy to find sustainable products. And make the sustainable product the only version of the product.



Read more in the report "The Circular Voice", available for download at stenarecycling.com

## **CIRCULAR VOICE** 2022

A survey among 5,000 consumers in Sweden, Norway, Denmark, Finland, and Poland, conducted on behalf of Stena Recycling in January 2022, shows that the demand for sustainable products is high, but that there is a gap between consumers' willingness to buy sustainable products and the actual supply. While 7 out of 10 consumers believe it is important or very important that there is a good range of products for a sustainable lifestyle, only half (48 percent) believe there is a sufficient supply that meets demand.

**80%**

of consumers highly value the use of recycled materials in products.

**22%**

are willing to pay more for products that contain recycled materials and that can be recycled.

**65%**

of consumers want to adapt their consumption to a climate–smart lifestyle.

*"The survey shows that consumers are ready for circular and sustainable products, and the trend is likely to grow. However, the range is often very limited, which makes it difficult for consumers to make active choices. There are great opportunities here for producers who take the lead in developing sustainable products and business models."*

**Anna Sundell,**
Group Sustainability Manager, Stena Metall

TRENDS AND DRIVING FORCES

# INCREASED DEMAND FOR CIRCULARITY

Increased awareness of ongoing climate change, resource scarcity, new customer needs, extensive technological development, and changing regulatory frameworks are influencing the conditions for virtually all markets and industries. This development affects offerings, business models and internal processes. It presents massive challenges – but also brings great opportunities for businesses and actors who dare to think in new ways.

### INCREASED AWARENESS ABOUT CLIMATE CHANGE

Climate change and its consequences are one of the biggest challenges of our times. Reducing the use of fossil fuels and an overall more responsible use of resources is needed to halt the downward spiral. Increased awareness of the consequences of climate change has led to greater interest in sustainability among a wide group of stakeholders. Taking responsibility and acting in a socially and environmentally sustainable way strengthens the offering and ensures long-term competitiveness. Sustainability has become business critical.

### POPULATION GROWTH AND RESOURCE SCARCITY

World population is currently growing fast and will continue to grow in the future. In the last 100 years, the world's population has increased from 1.8 billion to 7.7 billion. The latest projections by the United Nations suggest that the global population could grow to around 8.5 billion in 2030, 9.7 billion in 2050 and 10.4 billion in 2100. The growth is confronted with a natural resource supply that is ultimately limited. There is also a risk that new technical solutions will result in a shortage of certain raw materials. This applies to cobalt and other rarer earth metals that are used in for example batteries and electronics. Increased recycling and reuse are required to ensure a long-term supply.

### STRICTER LEGISLATION

To support the transition to a more circular economy and more sustainable development, regulatory frameworks are being reviewed and adopted at various levels. The central elements of the European Circular Economy Action Plan include revised waste directives, the Raw Materials Initiative, and updated battery legislation.

### DIGITALIZATION AND RAPID TECHNOLOGICAL DEVELOPMENT

Rapid digitalization and extensive technological development have a major impact on society, companies and individuals. Greater transparency, faster information flows, increased use of sharing services and a higher degree of automation are leading to major changes and the opening up of new opportunities and business models.

## INNOVATION, PROACTIVITY AND COOPERATION

**Through a strong focus on innovation, proactivity and cooperation, the Stena Metall Group helps its customers make better use of hidden resources. In this way, the business contributes to stronger competitiveness, a more circular economy, and more sustainable development in general.**

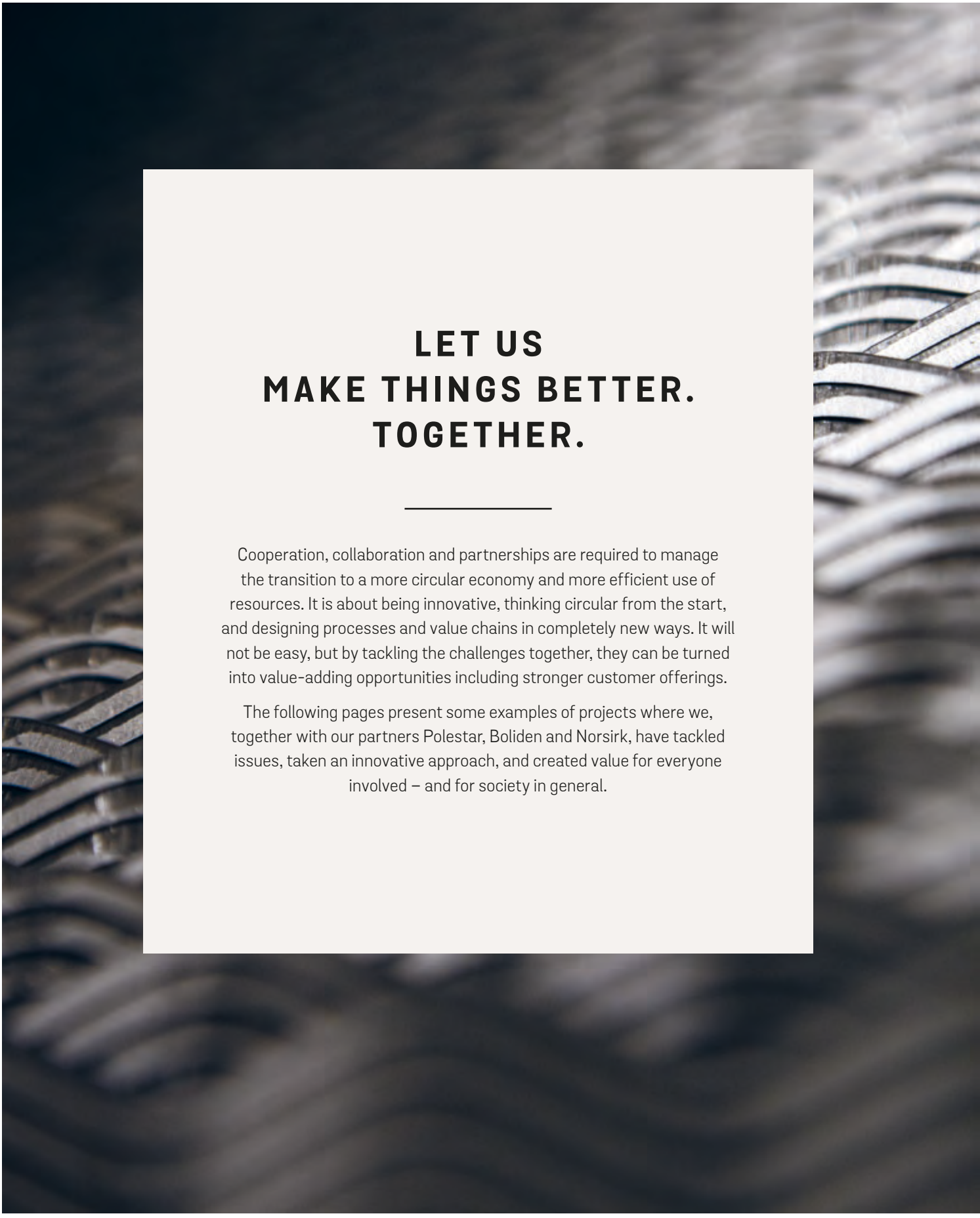
### HOW OUR CUSTOMERS ARE AFFECTED...

Increased demand for sustainable solutions that enable a circular economy.

Greater need for collaboration and innovation.

### ...AND HOW WE RESPOND TO THE DEVELOPMENT

- Major investments in plastic recycling
- Increased focus on recycling and reuse of batteries
- A growing offer in circular services, design, and resource management
- Production of circular raw materials from recycled materials and products
- New recycling and reuse services
- Close collaboration and joint development projects with customers and partners
- Participation in research programs with colleges and universities
- Engagement in national and international forums and expert groups
- Investments in digital transformation that involves new customer offerings and business models, as well as new ways of working
- Treatment of hazardous waste and converting it into new, valuable resources, and significantly reducing climate impact.



# LET US MAKE THINGS BETTER. TOGETHER.

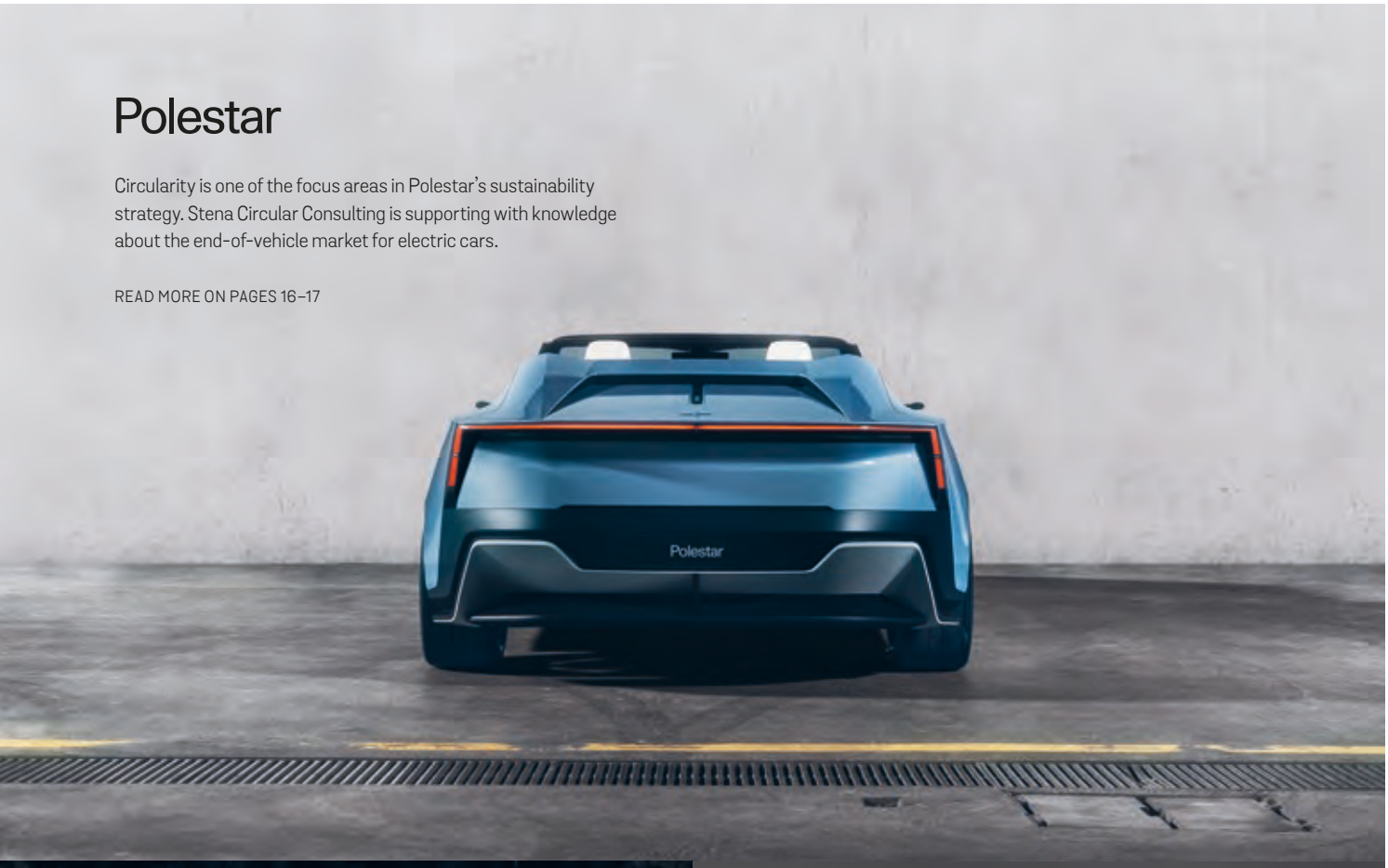
Cooperation, collaboration and partnerships are required to manage the transition to a more circular economy and more efficient use of resources. It is about being innovative, thinking circular from the start, and designing processes and value chains in completely new ways. It will not be easy, but by tackling the challenges together, they can be turned into value-adding opportunities including stronger customer offerings.

The following pages present some examples of projects where we, together with our partners Polestar, Boliden and Norsirk, have tackled issues, taken an innovative approach, and created value for everyone involved – and for society in general.

# Polestar

Circularity is one of the focus areas in Polestar's sustainability strategy. Stena Circular Consulting is supporting with knowledge about the end-of-vehicle market for electric cars.

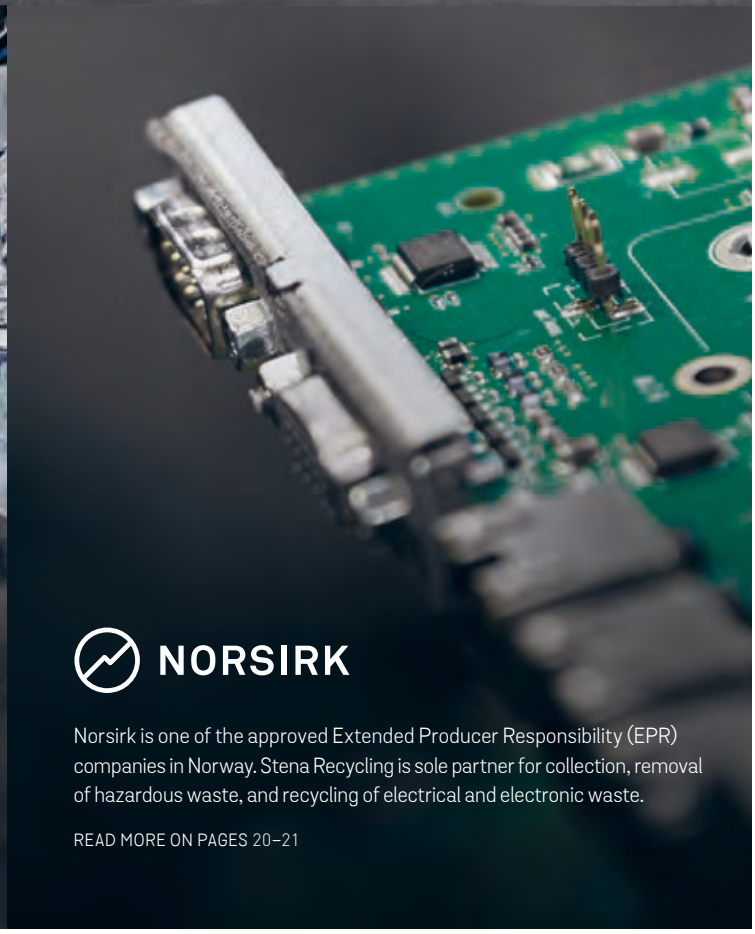
READ MORE ON PAGES 16–17




NEW BOLIDEN

Eleven percent of metals produced by Boliden originates from recycled materials, and a substantial part comes from Stena Recycling.

READ MORE ON PAGES 18–19



NORSIRK

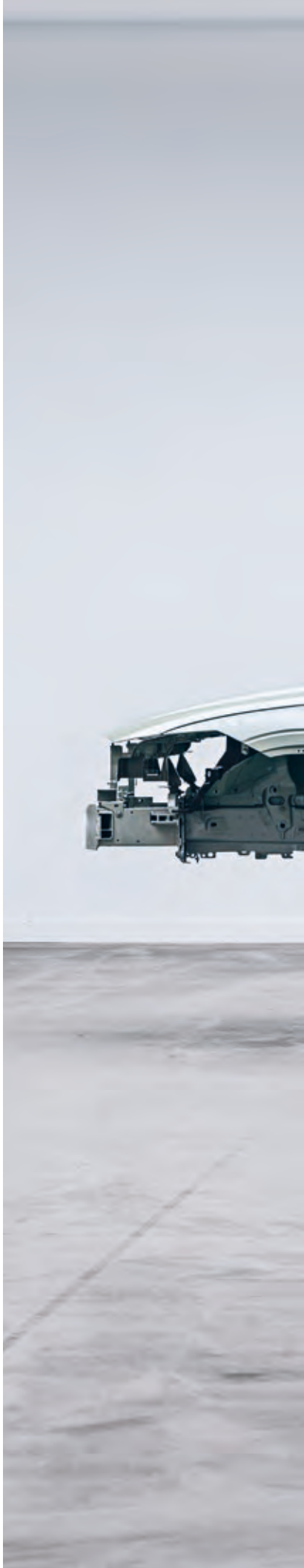
Norsirk is one of the approved Extended Producer Responsibility (EPR) companies in Norway. Stena Recycling is sole partner for collection, removal of hazardous waste, and recycling of electrical and electronic waste.

READ MORE ON PAGES 20–21

Polestar

# DRIVING THE CIRCULAR ECONOMY FORWARD

Polestar makes electric cars which, when charged with energy from renewable or fossil-free sources, have negligible use-phase emissions. But going electric is only a start. The supply chain emissions remain. Therefore, Polestar has set ambitious targets to reduce emissions throughout the value chain and has also developed roadmaps for reaching them. Here, recycling and reuse play an important role. As part of the journey towards increased circularity, Polestar asked Stena Circular Consulting (SCC) for help in gaining knowledge about how the end-of-vehicle market works for electric cars. SCC also conducted a study on how to improve the design process to be as compatible with the circular economy as possible.



*Sustainability lies at the heart of what Polestar is. We are a performance brand, determined to improve the society we live in by accelerating the transition to sustainable mobility. The use of materials is at the root of our biggest social and environmental impacts. By using a circular approach and trying to close the loop for more materials, we take action on many of the global and complex sustainability challenges we face today. Our ambition is that the materials in our cars should allow for at least 85 percent closed-loop recycling – without loss in material quality. A major challenge for the industry is the lack of technology to make such recycling of individual car parts economically feasible. Together with Stena Circular Consulting we aim to build a better understanding of the challenges involved to influence change.*

**Sander Jahilo,** Circular Lead, Polestar

*Sustainability is one of the key pillars for Polestar and circularity is one of the focus areas in its sustainability strategy. Working together with one of the frontrunners in the automotive industry has been a true privilege. This is a great example of how Polestar, through the project, is getting a head start in designing and creating systems for a car that can be fully circular. We have done our utmost to assist in this work in the best possible way.*

**Mats Linder,** Head of Operations, Stena Circular Consulting

## THREE MAIN TAKE-AWAYS FROM THE PROJECT

1. As of today, end-of-life recycling is designed around fragmentation, which works well for metals but captures very little value from plastics composites and electronics – all of which increase as a share of the total weight in electric vehicles (EV).

2. Battery recycling is growing and generates a great yield of critical raw materials (CRM), but lags behind demand for the next 10 years. Securing supply for the great EV push becomes a crucial success factor for Original Equipment Manufacturers (OEM).

3. There are many design opportunities to make a car more circular, but they need to be aligned with corresponding systems and business model innovation.

## RECYCLING OF COPPER AND PRECIOUS METALS

The processed e–waste material and copper granules are delivered to Boliden's Rönnskär smelter in northern Sweden, one of the world's largest recyclers of metal from electronic materials. At arrival, the electronic equipment has been disassembled, processed, and split into different fractions through a series of advanced processes. For example large parts of the plastic, iron and aluminium have been removed and recycled. After being shredded into smaller parts, the material is sent to a so–called kaldo furnace, specially developed for smelting electronic materials. The molten material, called black copper, is then combined with the smelter's main stream for further processing and extraction of copper and precious metals.

## NEW LIFE FOR RECOVERED CAR BATTERIES

Besides electronics, Stena Recycling is also providing Boliden with used lead batteries. The batteries are delivered to the Bergsöe smelter in Landskrona, Sweden, the only secondary smelter for lead in the Nordics. Every year, lead from 4 million scrapped car batteries is recovered, and at least 70 percent of the lead produced is sold to the battery industry in Europe, where it is used again.

# CLOSING THE E-LOOP – TOGETHER

For almost 100 years, Boliden has been extracting and producing metals that are critical to the development of society. Although the bulk of the raw material still consists of metal concentrates from mines, secondary material has become an increasingly important, and growing, part of the total raw material supply. Today Boliden is among the global leaders for recycling electronics and lead-acid batteries. In all, 11 percent of metals produced by Boliden originates from recycled materials, and a substantial part comes from Stena Recycling.

The partnership between Boliden and Stena Recycling began several decades ago. Over the years, the collaboration has deepened, and the processes have been refined, resulting in an increased recycling rate.

Today Stena Recycling is one of the largest suppliers of recycled materials in the form of, among other things, electronics, copper granules from recycled electrical cables, and used lead batteries.

*Our base metals are copper, zinc, nickel and lead. They are all important for a sustainable society. Copper and nickel are crucial for increased electrification. Lead is crucial for the storage of electricity, as is zinc for increasing corrosion protection and thus reducing resource utilization. Recycling of secondary material is a vital part of our business model and we work continuously to develop our processes to be able to return as much material as possible back into the loop. To enable this, however, we are dependent on collaboration with other actors. Only by working together can we make a real difference.*

**Patrick Ammerlaan**
Director, Raw Materials Boliden Smelters

*Our common aim is to extract the maximum amount of metals from the materials, while also reducing the waste that must be disposed of. Electronic scrap usually consists of several different materials, making it complex to handle and recycle. To succeed, cooperation and collaboration are required. A common process based on a great understanding of each other's activities and opportunities is crucial.*

**Mattias Rapaport**
Managing Director, Stena Metal International

NORSIRK

# UNLOCKING HIDDEN VALUES IN E-WASTE

The amount of electronic waste continues to increase and is now the world's fastest growing waste stream. In just five years, the world's e-waste has increased by over 20 percent. Growing consumption, short lifespans and limited opportunities for repair are among the main driving forces. The development places high demands on efficient recycling chains. During 2022, Stena Recyling was chosen sole partner to Norsirk, one of the leading e-waste recycling companies in Norway.

Norway has for long been a forerunner in handling electrical and electronic waste (WEEE). Today, Norway has one of the highest generations of e-waste per capita worldwide – and also one of the highest shares in Europe when it comes to recycling e-waste.

At the end of the 1990s, producer responsibility regarding e-waste was clarified in law, and now Norsirk is one of the approved Extended Producer Responsibility (EPR) companies. Norsirk serves around 2,500 producers on WEEE and batteries, and takes responsibility for the collection and treatment of nearly 50 percent of all WEEE in Norway.

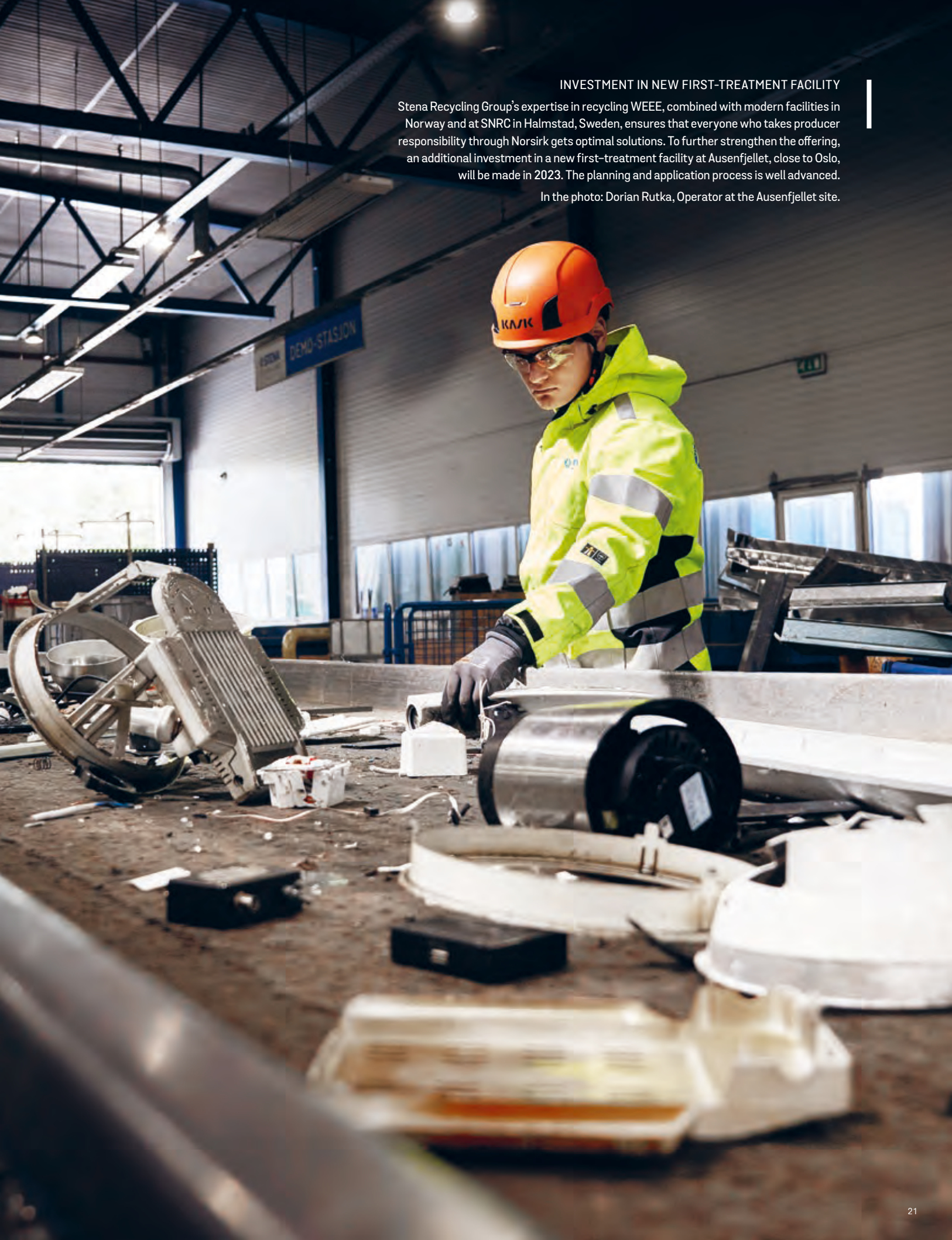
For collection and recycling, Norsirk in turn cooperates with contractors, which have included Stena Recycling since 1999. During 2022, the cooperation was further intensified. After a careful process, Stena Recycling was chosen sole partner and from January 2023, Stena Recycling will handle all collection, removal of hazardous waste, and recycling of electrical and electronic waste for Norsirk in Norway.

*The treatment of WEEE and batteries is the most critical activity from an environmental point of view, and therefore all recyclers are carefully selected based on technological capabilities, R&D and certificates. Stena Recycling has proven to meet all these requirements and we are now looking forward to a deepened cooperation.*

**Stig Ervik**
CEO, Norsirk

*Electronics contain a lot of precious metals and material that can be used for new products after disposal. These valuable resources form an important part of the work for a sustainable society. A functioning material recycling saves both natural resources and energy, compared with when new material is used. Through high-tech processes, we have the opportunity to take care of large volumes of electronics that add new value.*

**Max Trandem**
Managing Director, Stena Recycling Norway



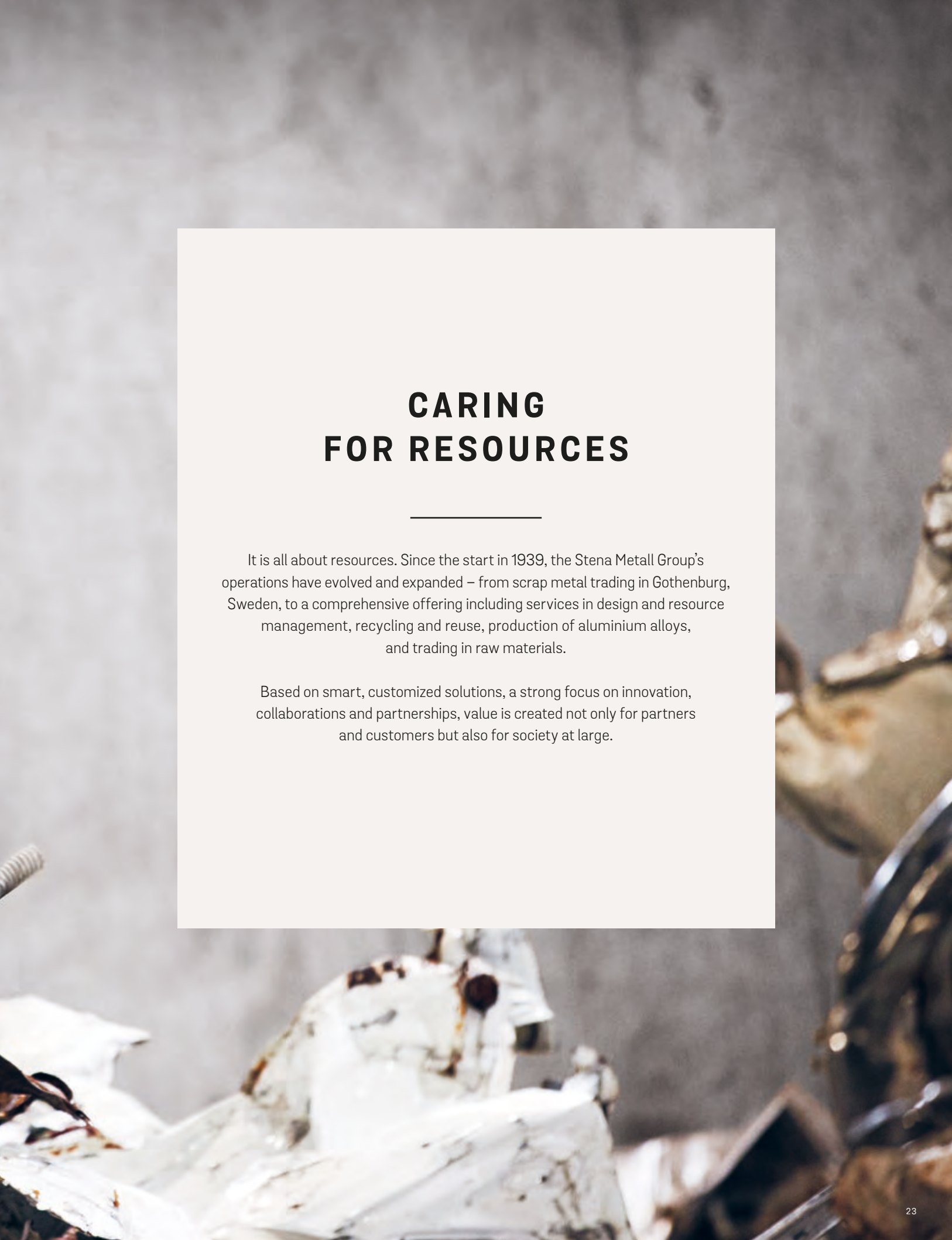

## INVESTMENT IN NEW FIRST-TREATMENT FACILITY

Stena Recycling Group's expertise in recycling WEEE, combined with modern facilities in Norway and at SNRC in Halmstad, Sweden, ensures that everyone who takes producer responsibility through Norsirk gets optimal solutions. To further strengthen the offering, an additional investment in a new first–treatment facility at Ausenfjellet, close to Oslo, will be made in 2023. The planning and application process is well advanced.

In the photo: Dorian Rutka, Operator at the Ausenfjellet site.

## WHERE OTHERS SEE THE END, WE SEE THE BEGINNING OF SOMETHING NEW

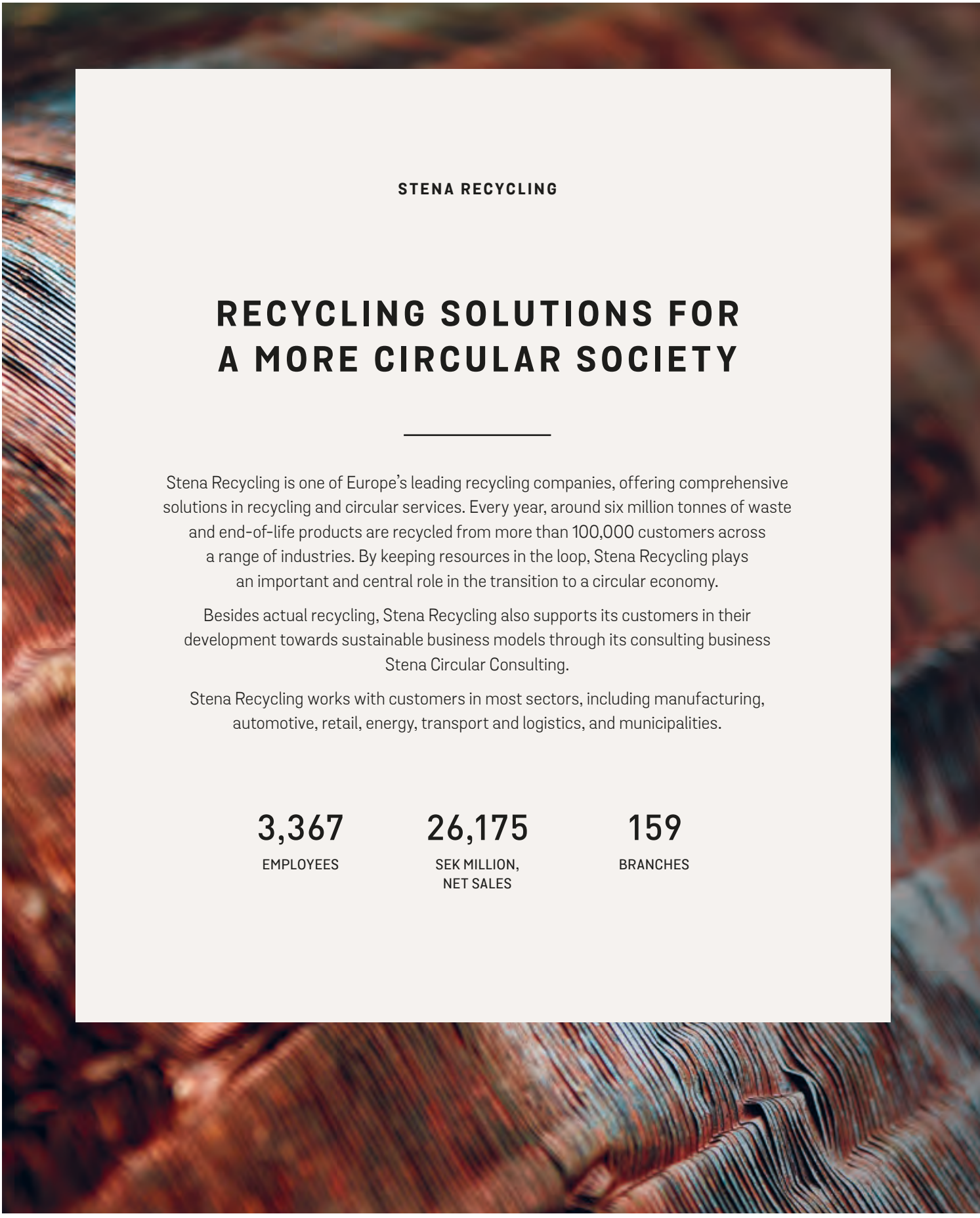
One of the most effective ways to reduce environmental impact is to use recycled raw materials in production instead of the earth's natural resources. By working to achieve more efficient and smarter use of resources, Stena Metall actively contributes to the development of the circular economy.



# CARING FOR RESOURCES

It is all about resources. Since the start in 1939, the Stena Metall Group's operations have evolved and expanded – from scrap metal trading in Gothenburg, Sweden, to a comprehensive offering including services in design and resource management, recycling and reuse, production of aluminium alloys, and trading in raw materials.

Based on smart, customized solutions, a strong focus on innovation, collaborations and partnerships, value is created not only for partners and customers but also for society at large.



STENA RECYCLING

# RECYCLING SOLUTIONS FOR A MORE CIRCULAR SOCIETY

Stena Recycling is one of Europe's leading recycling companies, offering comprehensive solutions in recycling and circular services. Every year, around six million tonnes of waste and end-of-life products are recycled from more than 100,000 customers across a range of industries. By keeping resources in the loop, Stena Recycling plays an important and central role in the transition to a circular economy.

Besides actual recycling, Stena Recycling also supports its customers in their development towards sustainable business models through its consulting business Stena Circular Consulting.

Stena Recycling works with customers in most sectors, including manufacturing, automotive, retail, energy, transport and logistics, and municipalities.

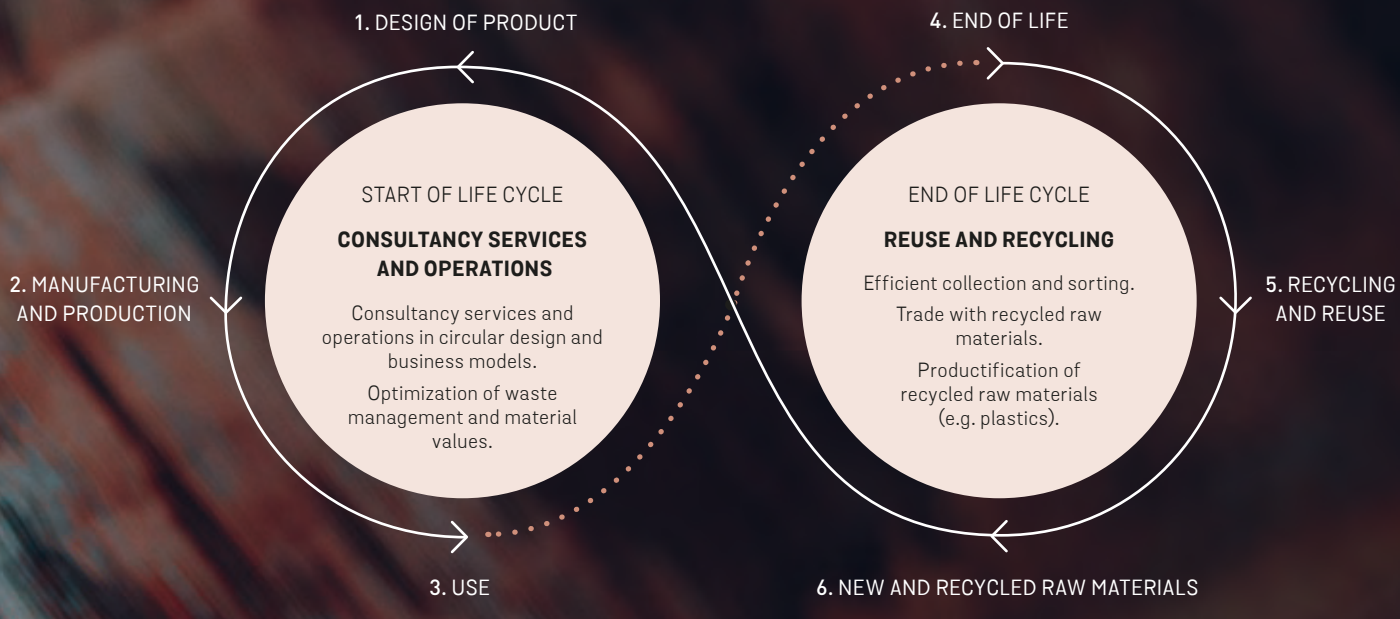
| 3,367 | 26,175 | 159 |
|---|---|---|
| EMPLOYEES | SEK MILLION, NET SALES | BRANCHES |

## OPERATIONS ACROSS EUROPE

Stena Recycling is one of Europe's leading recycling companies. Operations are conducted in Sweden, Norway, Denmark, Finland, Germany, Poland and Italy. In addition, materials from a number of other countries in Europe are also recycled. Trade with recycled raw materials is being conducted globally.

WHAT WE DO

## CONTRIBUTING TO A MORE CIRCULAR RAW MATERIAL SUPPLY



## STENA NORDIC RECYCLING CENTER

# A LEADING RECYCLING FACILITY IN EUROPE

Stena Nordic Recycling Center (SNRC) in Halmstad, Sweden, is one of Europe's largest and most modern recycling facilities. Complex materials from customers in several countries are recycled here in modern and efficient ways. Resources that were previously lost can thereby be used in new products, or as an energy source in energy-intensive industry.

Evelina Jahn, Production Manager at SNRC, Sweden.

In a constant stream, products from both households and industry are fed into the facilities. These range from computers, telephones and TVs to bikes, cars, and heavy goods vehicles. The common denominator is that the products consist of many different materials, something that places great demands on the recycler.

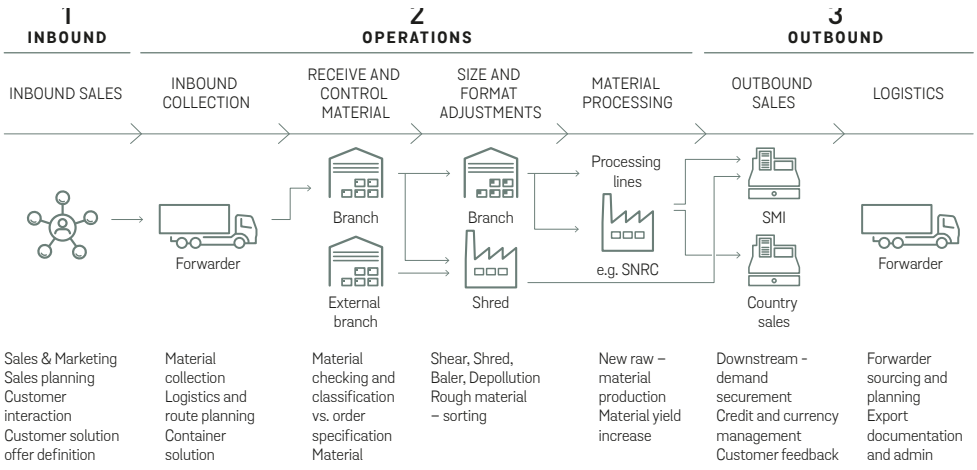
The materials are processed through a series of technologically advanced recycling processes. Everything is conducted at high speed and with the utmost accuracy. Once the mills, magnets, sieves and sensors have done their job, the end result is a large number of recycled new raw materials that are delivered back to industry.

**STENA RECYCLING LAB**

Embedded in SNRC is Stena Recycling Lab, a dedicated knowledge center for new recycling technology and the development of new products. The lab offers an innovation and collaboration arena for partners, entrepreneurs, researchers, and students. The arena acts as a catalyst for innovation and enables shorter innovation cycles for new technology and new products and services.

## VALUE CREATION

Stena Recycling's core business is collection of industrial waste material that arises from both operations and production. Besides waste collection, Stena Recyling also produces recycled raw materials for new products or new energy. The process for value creation is defined by a number of steps from inbound sales to outbound sales and logistics services.



## ALL STENA RECYCLING COMPANIES COMMIT TO SET SCIENCE-BASED CLIMATE TARGETS

Stena Recycling Sweden committed to set climate targets in accordance with the Science Based Targets initiative in January 2021. In 2022, the commitment was expanded to include all Stena Recycling companies in Europe. By doing so, Stena Recycling commits to set science-based climate targets aligned with the 1.5°C ambition of the Paris Climate Agreement. In addition, Stena Recycling is also committed to set a long-term net zero target in accordance with the Science Based Targets initiative (SBTi) Net-Zero Standard to become climate neutral by 2050.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

*It is a natural step for us to have all companies of Stena Recycling committing to the Science Based Targets initiative. We are already working together to deliver the best solutions in circularity to our customers. By joining the Science Based Targets initiative, we now also make a clear joint commitment to reduce our climate footprint.*

**Kristofer Sundsgård,** *President and CEO*

## INCREASED FOCUS ON BATTERY RECYCLING

As the world is rapidly turning electric, the need for recycling solutions for batteries is gaining focus. During the past year, Stena Recycling has invested heavily in battery recycling facilities and technologies. One step towards becoming a leader in battery recycling is the facility being built close to the Stena Nordic Recycling Center in Halmstad, Sweden. Making it possible to recycle 95 percent of a lithium-ion battery will take battery recycling to the next level.

Around Europe, Stena Recycling is now establishing battery centers in which batteries from electric vehicles will be collected, discharged, and dismantled in a safe manner and then sent to the facility in Halmstad to be recycled. The most recent inauguration was in May 2022 in Farum, Denmark. Battery centers are also built in Norway, Finland, Poland, Italy, and Germany.

### NEW REGULATIONS PUT NEW DEMANDS ON INDUSTRY

The EU is preparing tougher battery regulations, which are expected to come into force in 2022–2023. The new requirements will affect the manufacture, design, labeling, traceability, collection, reuse, and recycling of batteries throughout their lifecycle.

*"The legislation is driving new circular partnerships between producers and recyclers. We are embarking on an important and exciting journey with our customers. Our ongoing initiatives create value for our customers and the planet, and are in line with the new legislation and developments in the battery market."*

**Marcus Martinsson,** *Business Area Manager Batteries at Stena Recycling*

# **HIGHLIGHTS** 2021/2022

## SWEDEN

### CONTINUED INVESTMENT IN BATTERY RECYCLING

Investment in the recycling of batteries was further intensified during the year. In May 2022, the first ground was broken on what will become Sweden's, and one of Europe's, most advanced battery recycling facilities. The new plant will be located next to the Stena Nordic Recycling Center in Halmstad. During the year, the Swedish Energy Agency granted Stena Recycling SEK 70.7 million in support for the investment.

The batteries will initially be collected via the battery centers in Stena Recycling's different markets. At the battery centers the batteries are discharged, secured and prepared for recycling that will take place at the new facility in Halmstad. A collaboration with the multinational company Johnson Matthey also adds another process step to produce fully refined materials from the black mass that can be used in the production of new lithium-ion batteries. Closing the loop and creating new raw materials for batteries from recycling is crucial to achieving a circular raw materials chain.

### CONTINUED INDUSTRIAL COLLABORATIONS WITH CIRCULARITY IN FOCUS

Collaborations between different companies within the industry is a prerequisite to create circular material streams. Circular partnerships were conducted during the year with a large number of industrial operators. Together with Alfa Laval the take-back scheme "Re-made to matter" continued, allowing customers to replace older heat exchangers with new ones. The scheme was also introduced in Norway, Denmark and Finland. At the same time collaborations also continued with Electrolux regarding the development of a fully recyclable vacuum cleaner, with ABB Motion regarding a replacement system for electric motors, and with ABB Hitachi Power Grids regarding the recycling of transformers.

### HIGH DEMAND FOR CONSULTING SERVICES RELATED TO SUSTAINABLE AND CIRCULAR BUSINESS MODELS

The demand for Stena Circular Consulting's services in implementing sustainable and circular business models continued to increase during the year. New customers included Polestar. Read more about the assignment for Polestar on pages 16-17.

During the year, Stena Circular Consulting, together with circular economy hub Cradlenet, were granted funding from the Swedish Agency for Economic and Regional Growth and the European Regional Development Fund (ERDF) to develop methods for conversion to value-based business models. The purpose of the two-year project is to make it easier for small and medium-sized companies to change the business model for relevant products to Product-as-a-Service (PaaS). The goal is thereby to create clear incentives for circular design, longer life, more use cycles, processes for remanufacturing, and so-called take-back systems. More information about the PaaS project is to be found at www.stenarecycling.com

### NEW PLASTIC RECYCLING SOLUTION FOR SKF

During the year, a new solution was developed for recycling the plastic packaging solution used in the transport of SKF's rolling elements. The rolling elements are sensitive key components in roller bearings and must not be exposed to impact marks, dirt or influences that can cause rust. The plastic-based packaging solution consists of an anti-rust protective film that protects the rollers during transport and facilitates handling in production. Previously, the plastic, corresponding to around 26 tonnes per year, went to incineration after use. Thanks to new technology, the anti-rust protected plastic can be separated and then used in new areas such as plastic raw material in the manufacture of cover film for the construction industry.

### SELECTED PARTNER TO NORTHVOLT

During the year, Northvolt chose Stena Recycling as recycling partner for the production facility in Skellefteå. The overall focus will be on managing and recycling production waste as efficiently as possible, developing new recycling solutions and ensuring that valuable resources are circulated. Stena Recycling is already responsible for handling and recycling the waste from ongoing construction work at Northvolt in Skellefteå, as well as recycling at the Northvolt Labs development facility in Västerås.

Anna Sundell, Group Sustainability Manager Stena Metall, Sweden.

### CIRCULAR INITIATIVE

For the fourth consecutive time, Stena Recycling was the main organizer of the Circular Initiative forum, a collaborative arena where companies meet to present concrete actions and projects for more circular solutions and material flows in Swedish industry. This year the partners at Circular Initiative were Investor, ABB, Electrolux, Alfa Laval, SKF, SEB, Polestar, Blomsterlandet, H2 Green Steel, and Knut och Alice Wallenberg Foundation.

The initiative was launched by Stena Recycling in 2019. This year the Circular Initiative could once again gather a physical audience and around 100 people attended. In addition, around 1,600 people participated online making this a record level of interest for the event.

### STRENGTHENED POSITION IN REUSE AND RECYCLING THROUGH ACQUISITIONS

As part of Stena Recycling's ambition to grow the recycling business within plastics, hazardous waste and reuse of electronics, several acquisitions were made. First Moreco Group AB was acquired, a leader in the repossession of servers and storage equipment. Thereafter Pireva's facility in Piteå for handling hazardous waste, and finally Swerec's plastic recycling plant in Lanna was acquired.

## DENMARK

### NEW BATTERY RECYCLING FACILITY

In early summer 2022, a new recycling facility was inaugurated in Farum, with a special focus on recycling batteries from electric cars. The center is the first of its kind in Denmark, and the investment is part of a larger investment in battery recycling that is now being implemented within Stena Recycling Denmark.

Lea Wermelin, Denmark's Minister of Environment, and Henrik Grand Petersen, MD Stena Recycling Denmark.

### CAR SCRAPPING MADE EASIER

A new collaboration between car inspection company Applus Bilsyn and Stena Recycling enables car owners to hand in their cars for scrapping at Applus Bilsyn's 65 inspection stations across Denmark. Through cooperation with certified auto scrappers, Stena Recyling will then be able to recycle metals and electronic components.

## NORWAY

### SOLE PARTNER TO NORSIRK

After a careful process, Stena Recycling was chosen sole partner to Extended Producer Responsibility company Norsirk. Stena Recycling will handle collection, environmental remediation, and recycling of electrical and electronic waste for Norsirk in Norway. As part of the deal, Stena Recycling has committed to investment in a new facility for recycling refrigerators. Read more about the assignment for Norsirk on pages 20–21.

Espen Lindstad, Operator at the Ausenfjellet site, Norway.

### INAUGURATION OF A NEW BATTERY CENTER

During the year, the planning for Stena Recycling's new battery center in Ausenfjellet continued. The plant will recycle lithium-ion batteries from, among other things, electric cars. After an initial sorting, most of the batteries will be transported to Stena Nordic Recycling Center in Halmstad, Sweden, for further recycling.

### ALUMINIUM ALLOYS WITH SUPERIOR PROPERTIES

As a consequence of the transition towards lower-emission vehicles, the average aluminium content in vehicles is expected to increase significantly. To meet the emerging demands from the automotive industry, Stena Recycling has initiated a project to develop high-pressure die-cast (HPDC) aluminium alloys with superior properties and lower $CO_2$ footprint, made of recycled aluminium. Partners include Hydro Aluminium, one of the largest aluminium foundry alloy producers in Europe, Elkem, a world-leading silicon producer and Nemak, a world-leading automotive component producer.

RECYCLING OF IRON AND METAL FROM THE SVEA MINE ON SVALBARD

After more than 100 years of operation, the Norwegian Parliament decided to close the Svea mine, Norway's largest coal mine, in 2018. The restoration of the area is ongoing, and Stena Recycling Norway has been appointed subcontractor for the recycling of all iron and metals. In the fall and winter of 2021, Stena Recycling Norway transported two boatloads from Svea to the facility at Orkanger.

## FINLAND

STRENGTHENED POSITION IN THE CAPITAL AREA

The establishment of a new service unit at the Ämmässuo Eco-Industrial Center in Espoo continued during the year. In the facility various metals, waste from electrical and electronic equipment and end-of-life vehicles will be received, processed, and temporarily stored. The center already houses several operations linked to the circular economy and sustainability. All in all, the investment strengthens Stena Recycling's position and ability to operate and grow in the capital area. The branch will start operating at the end of 2022.

CONTINUED INVESTMENT IN RECYCLING HAZARDOUS WASTE AND ELECTRONICS

The development of the offer regarding recycling of hazardous waste and electronics continued during the year. As part of this, a decision was taken to expand operations to also include handling of various well wastes from, for example, oil and sand separation wells.

ACQUISITION OF ENCORE ENVIRONMENTAL SERVICES

In June 2022, Stena Recycling Oy signed an agreement to acquire 100 percent of the shares in Finnish Encore Environmental Services (Encore Yampöristöpalvelut Oy). Encore Environmental Services has a strong offer in circular solutions and recycling solutions for various waste fractions, confidentiality services, and pallets and fuels for energy producers. The acquisition, which was approved by the Finnish Competition and Consumer authority in October 2022, doubles Stena Recycling's operations in Finland.

## GERMANY

A STRATEGIC CHANGE OF FOCUS

As part of a strategic review of the Group, Stena Recycling GmbH's previous refrigerator recycling operation was sold to German Quantum Capital Partners during 2022.

Going forward, Stena Recycling's operations in Germany will focus on growth in the collection, processing and recycling of batteries. Germany is a strategically important market for Stena Recycling's investments in battery recycling, mainly because of the country's many automotive manufacturers strongly focused on electrification. Stena Recycling currently has one battery center on site in Germany and plans to grow significantly in the coming years.

## POLAND

INVESTMENT IN A NEW BATTERY RECYCLING CENTER

Investment in the recycling of batteries was further intensified during the year, which included a new battery center for collection and discharging of lithium-ion batteries. The investment meets the rapidly growing need to take care of used batteries in a safe and environmentally sound way.

NEW RECYCLING FACILITY FOR PLASTICS ESTABLISHED

During the year, a new facility for processing and recycling LDPE plastic (low-density polyethylene) was established. LDPE is a soft plastic that is used to make items such as plastic bags, food packaging and industrial film. The new facility, located next to Stena Recycling's

existing unit in Wschowa, enables the recycling of 10,000 tonnes of plastic per year. The recycled plastic is used to produce a finished raw material in the form of LDPE granules.

The investment is an important step in being able to support customers in the development of more circular business models. An example of this is the strategic partnership entered during the year with the DIY chain store Castorama and upcycling marketplace Deko Eko. LDPE foil waste is collected from Castorama, granulated in Stena Recycling's LDPE line, and then used by Deko Eko in producing flowerpots sold by Castorama.

### JOINING THE POLISH PLASTIC PACT

In 2022, Stena Recycling Poland became a member of the Polish Plastic Pact, which is part of the global Plastics Pact network coordinated by the Ellen MacArthur Foundation. The Pact brings together companies and organizations related to the plastics value chain to work together on closing the plastic cycle in Poland.

## ITALY

### NEW PLASTIC RECYCLING PLANT OPENED

During the year, a new plastic recycling facility was built in Angiari, intended for the recycling of plastic from electrical and electronic waste (WEEE). The investment is a unique and important development of the Italian recycling system as the new plant will be the first of its kind in Italy. It will be similar to the plastic line at Stena Nordic Recycling Center in Sweden. This means that it will be possible to turn plastic waste from WEEE into clean pellets, with a quality close to virgin plastic, that can be used in the production of plastic goods.

### RECYCLING OF SOLAR PANELS

Stena Recycling in Italy joined a national collaboration program regarding recycling solar panels. Recycling of solar cells is complicated as they often consist of complex materials such as metal, plastic, glass, and sometimes also hazardous chemicals – all combined. Being able to sort these materials properly enables them to be recovered and used again. In Stena Recyling's process, almost all material in the solar panels can be recycled and reused, and just a small part goes to energy recovery.

### 3 MILLION FRIDGES RECYCLED

Stena Recycling in Italy is a leader in the recycling of WEEE, and during the year the collaboration with several leading refrigerator producers was further intensified. Since 2003, fridges from all over northern Italy have been recycled at the Cavenago plant, close to Milan. In May 2022, it processed its 3 millionth appliance. In addition to recycling, Stena Recycling also contributes to the design phase to ensure that as much of the product as possible can be recycled and reused.

## STENA METAL INTERNATIONAL

### A CHALLENGING YEAR

2022 was in many ways a challenging year. Ferrous and non-ferrous metal prices fluctuated in an unprecedented way, reaching all-time-highs at the same time as contracting by up to 50 percent in a month. In addition, freight and transport markets have been very strained with lack of vessels, containers, trucks, and drivers. Despite the challenges, Stena Metal International managed to deliver in this highly uncertain and challenging environment.

### CONTINUED TRADING IN RAW MATERIALS IN THE US

During the year, Stena Metal Inc. continued to conduct international trade in its primary businesses - scrap metal and pig iron. The raw materials originate from suppliers around the world and are also delivered worldwide. Business remained unchanged during the year, although with an increased focus on key business areas.

**STENA ALUMINIUM**

# 100% RECYCLED PREMIUM-QUALITY ALUMINIUM

Stena Aluminium is one of northern Europe's leading producers of premium-quality aluminium alloys, based on 100 percent recycled aluminium. Customers mainly consist of foundries and most of what is produced is used for components in the automotive and engineering industries.

**81**
EMPLOYEES

**1,609**
SEK MILLION, NET SALES

## HIGHLIGHTS 2021/2022

### PARTNERSHIP WITH HYDRO

During the year, a partnership was established between Stena Aluminium and Hydro, one of the largest aluminium foundry alloy producers in Europe. The common ambition is to take the lead in delivering industrial-scale zero-carbon aluminium by 2030, and the fastest way to deliver zero-carbon aluminium is by using recycled aluminium made from post-consumer scrap.

### NEW COLLABORATION THAT LOWERS BOTH COSTS AND CLIMATE FOOTPRINT

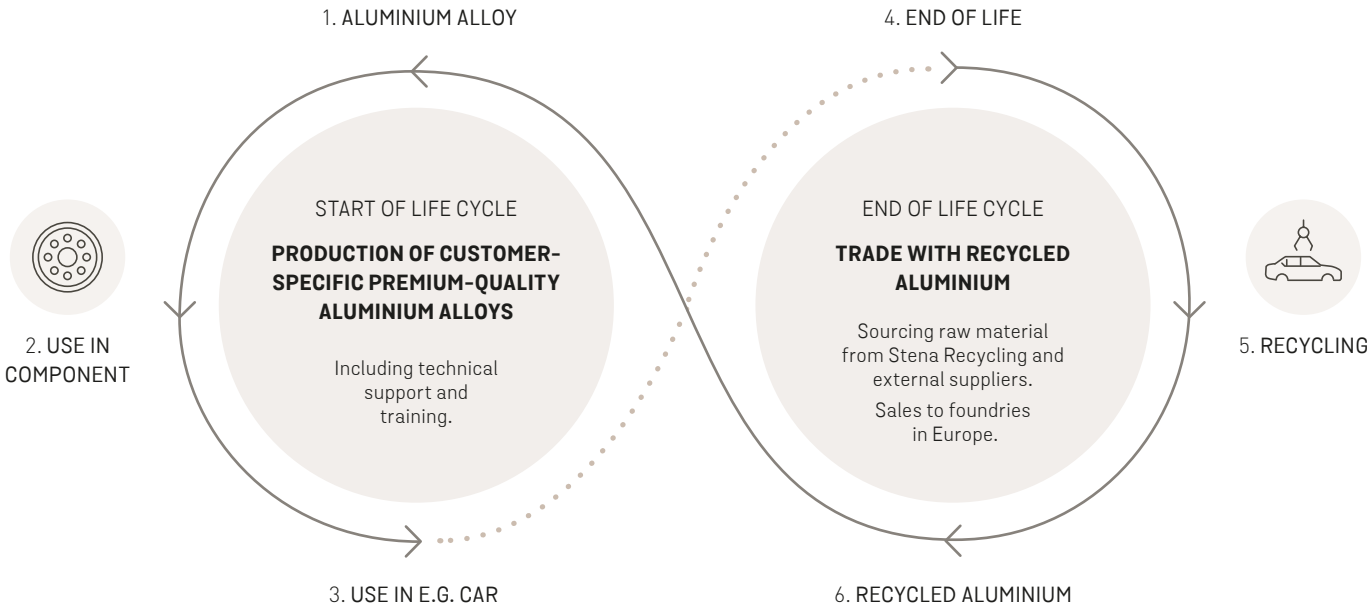
A new collaboration between Stena Aluminium and Comptech gives customers access to aluminium alloys with many times lower carbon dioxide emissions, and lower costs. Combining Comptech's technology within Rheocasting, with Stena Aluminium's 100 percent recycled aluminium, enables benefits in terms of both emissions and costs.

### PARTNERSHIP WITH INTERNATIONAL ALUMINIUM CASTING (IAC)

During the year, a partnership was entered into between Stena Aluminium, the Swedish aluminium supplier International Aluminium Casting (IAC), and Stena Recyling. First, Stena Recycling collects and sorts aluminium waste, which is then recycled and processed by Stena Aluminium into new, recycled aluminium raw material, which goes back to IAC.

WHAT WE DO

# CLOSING THE ALUMINIUM LOOP




### INCREASED TRANSPARENCY ABOUT ENVIRONMENTAL IMPACT

As part of Stena Aluminium's ambition to help customers reduce their environmental impact, reporting of environmental impact in the form of greenhouse gas emissions of both major product groups and individual products began during the year. Stena Aluminium's own carbon footprint has been measured and reported since 2021 in line with the Greenhouse Gas Protocol. During the year, the annual climate report was verified by Bureau Veritas.

### IMPROVED TECHNICAL SUPPORT

By establishing a new Technical Sales Specialist function, Stena Aluminium strengthened its capacity for guiding customers on specifying new alloys or modifying existing ones. Supporting customers to choose more environmentally friendly alloys creates benefits for all involved - the customer, the environment, and Stena Aluminium.

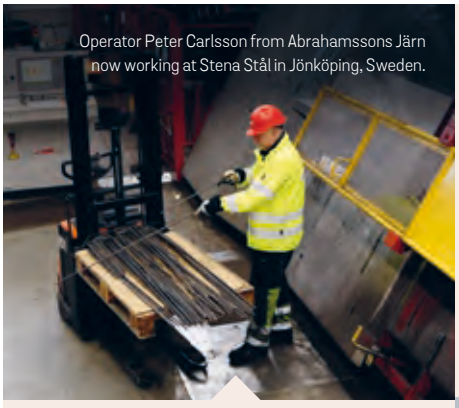
# A WIDE RANGE OF PRODUCTS AND SERVICES

Stena Stål supplies various types of steel products to customers in Sweden and Norway. Through close collaborations with leading steel producers, an extensive range of products is offered in areas such as beams, bars, pipes, rebar, sheet metal, stainless steel, aluminium and special steel. Customers mainly consist of small and medium-sized companies in construction and industrial operations. In addition to the wholesale business, adaptation and pre-treatment of steel products according to customer-specific needs is carried out in-house or with partners.

**235**
EMPLOYEES

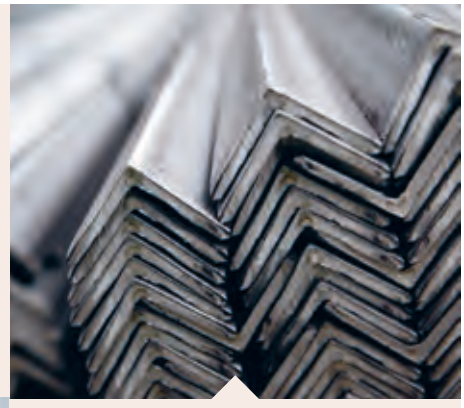
**3,337**
SEK MILLION, NET SALES

## HIGHLIGHTS 2021/2022


Operator Peter Carlsson from Abrahamssons Järn now working at Stena Stål in Jönköping, Sweden.

### RECYCLED BEAM IN ORDINARY ASSORTMENT

As a result of a pilot project run in cooperation with Skanska, reused beams were included in the ordinary assortment. The project, which has been run with, among others, Skanska, has shown several positive potential effects. The main benefits include a significantly lower climate impact. In the project with Skanska, the climate impact could be reduced by as much as 97 percent.

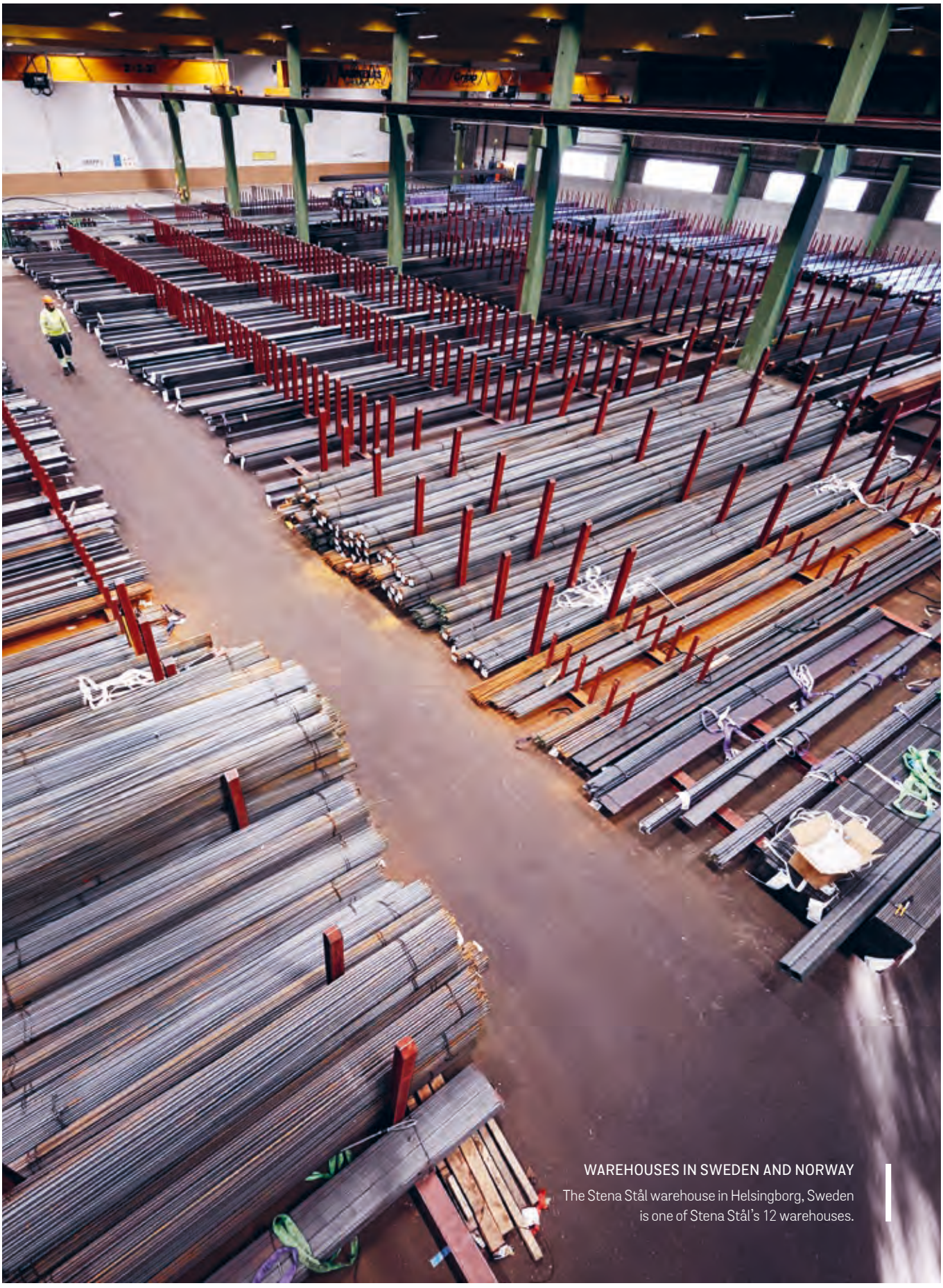


### STRENGTHENED POSITION THROUGH ACQUISITION

During the year, Abrahamssons Järn, a leading supplier of steel in the Jönköping region in Sweden, was acquired. The acquisition further strengthens Stena Stål's already strong position in the region, thereby contributing to Stena Stål's strategic plan moving forward.

### MATERIAL ADVISOR

During 2022, Stena Stål initiated collaboration with leading producers of water purification equipment. Stena Stål acts as an advisory partner on material selection for longer product life and easy recycling at end of life. The partnership also includes Outokumpu, which supplies stainless steel with the lowest climate footprint.



**WAREHOUSES IN SWEDEN AND NORWAY**

The Stena Stål warehouse in Helsingborg, Sweden is one of Stena Stål's 12 warehouses.

STENA OIL

# A RELIABLE SUPPLIER OF MARINE SOLUTIONS

Stena Oil is Scandinavia's leading supplier of marine fuels and comprehensive marine solutions for shipping companies operating in Skagerrak, Kattegat and the North Sea. Our skilled trading and operations staff, and modern long-term time-chartered bunker tankers and terminal operations, make efficient deliveries possible around the clock.

**21**
EMPLOYEES

**12,360**
SEK MILLION, NET SALES

## HIGHLIGHTS 2021/2022

### BEST FINANCIAL RESULT EVER

Stena Oil has had the most successful year in its 40-year history. In the wake of Russia's invasion of Ukraine, the oil market has been extremely volatile in the latter half of the fiscal year. Despite the very challenging market conditions, Stena Oil has been able to manage its price risk and product sourcing well, which has contributed to the excellent financial result.


### PROGRESS IN THE CONSTRUCTION OF THE NEW TERMINAL IN DENMARK

The construction of Stena Oil's new terminal in Frederikshavn, Denmark, is delayed but significant progress has been made during the year. The new terminal is scheduled to be commissioned during 2023. With 300 meters of its own quay, a capacity of 75,000 cubic meters, and the ability to handle all qualities of marine fuels, the terminal will be the largest of its kind in Scandinavia.

### CONTINUED PARTNERSHIP WITH EMSA

The assignment for the European Maritime Safety Agency (EMSA) oil spill response actions has been extended during the year. Through its cooperation with EMSA, Stena Oil is committed to provide, at short notice, vessels and equipment to battle oil spills at sea in Scandinavian waters and in the southern parts of the Baltic Sea.

BUNKERING

Bunkering of cruise ship with low-sulfur fuel near Copenhagen, Denmark.

# A WORLD-LEADING CIRCULAR ENERGY STORAGE SOLUTION

BatteryLoop develops mobile solutions that enable large-scale storage and the use of locally generated electricity. The company's system, BLESS™ (BatteryLoop Energy Storage System), consists of energy storage, energy management systems, and tools for data analytics. The solution makes it possible to store electricity from, for example, solar cells and then use it as needed.

**32**
EMPLOYEES

**3**
SEK MILLION, NET SALES

## HIGHLIGHTS 2021/2022

### FINALIST WHEN SWEDEN'S SMARTEST ENERGY INNOVATIONS WERE AWARDED

BatteryLoop ended up in the finals when the E-prize was awarded at the end of 2021. The award is organized by the energy company E.ON, this year in collaboration with the media outlets Aktuell Hållbarhet and Dagens Industri .

### AGREEMENT WITH MERCEDES-BENZ

BatteryLoop signed a frame and supply agreement with Mercedes-Benz Energy GmbH, thereby securing high volumes of reused battery modules. This could enable BatteryLoop to provide 40 megawatt hours until the end of 2023 using Mercedes-Benz Energy's modules.

### BLESS SYSTEM INSTALLED AT STENA METALL'S HEADQUARTERS

In April 2022, BatteryLoop delivered its BLESS™ system to the Stena Metall Group's head office in Gothenburg, Sweden. The system is built with 800 reused battery modules from Toyota Material Handling's electric trucks. It is now connected to 55 electric vehicle chargers where four of them offer semi-fast charging of 22kW.

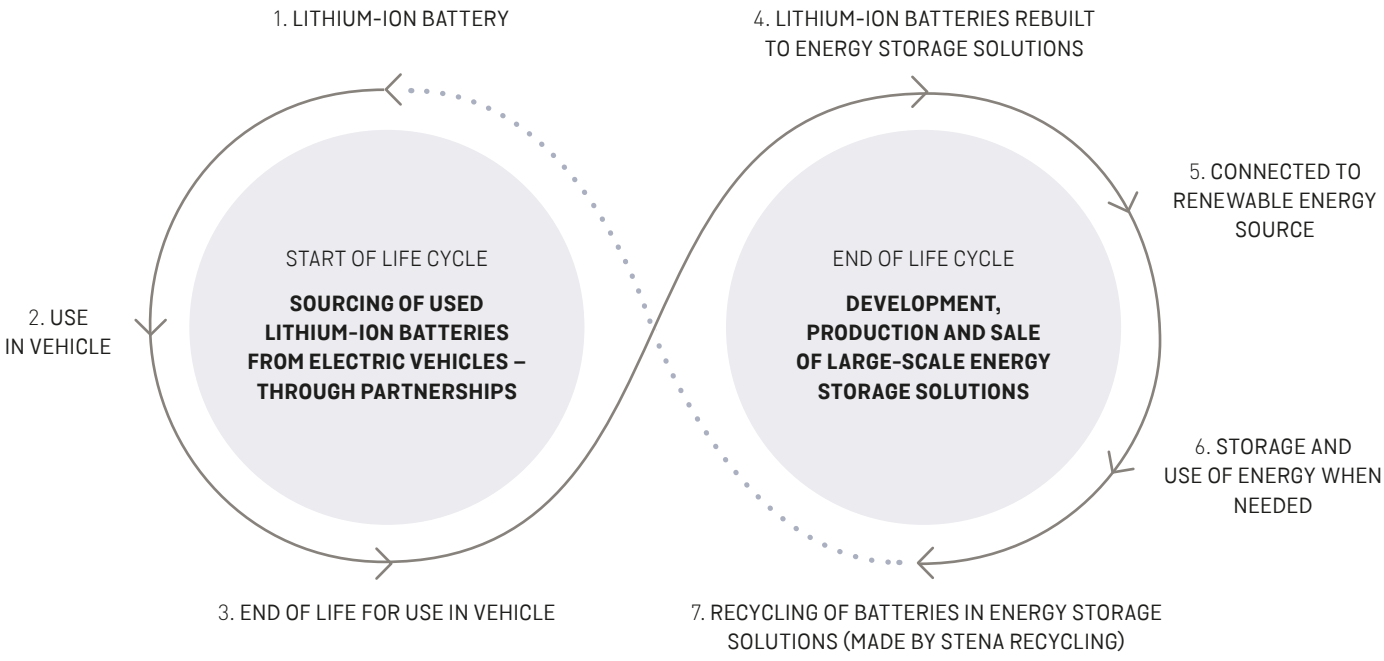
Seen in the middle of the picture is Rasmus Bergström, MD BatteryLoop.

### BUILDING AN ORGANIZATION TO MEET GROWING MARKET DEMAND

Besides securing a supply of second-use batteries, the focus during 2021/2022 was on building the organization with skilled engineers to meet the growing market demand. During the year, Battery-Loop more than doubled its number of employees, from 15 to 32.

WHAT WE DO

# SMART ENERGY STORAGE SOLUTIONS




The energy storage is based on used lithium-ion batteries from the automotive industry's electric vehicles. Reusing them in energy storage facilities almost doubles the life of the batteries. The potential in the systems is great and there are many areas of application. Initially, BatteryLoop is focusing on solutions for properties, ports and logistics centers.

The increase in electricity production using renewable energy sources is more sustainable long-term, but also brings challenges, most importantly that the power output from natural resources is more variable and volatile. BLESS™ is designed to supplement electricity supply, and when there is a surplus in the energy storage system sell and deliver on the frequency trading offered by Svenska Kraftnät, the authority responsible for maintaining and developing the Swedish national grid for electricity.

### SCALABLE AND SEMI-MOBILE SYSTEMS

The BLESS™ system is scalable from 50 kilowatt-hours to over 2 megawatt hours. BLESS I™ is based in a 16.5 foot container that only takes up the area of a parking lot, while BLESS III™ is based in 40-feet containers.

HALOSEP

# TURNING HAZARDOUS WASTE INTO VALUABLE RESOURCES

HaloSep introduces a cutting-edge technology to purify and refine hazardous waste from flue gas cleaning, known as fly ash and scrubber liquid, which arises from waste incineration at waste-to-energy plants. Through the process, this previously hazardous waste is converted into new, valuable resources, while at the same time significantly reducing the environmental impact.

Many homes and premises are currently heated by district heating. Production of district heating and electricity through waste incineration is an efficient use of resources that would otherwise be lost. One challenge, however, is the large volume of hazardous waste, known as fly ash and scrubber fluid, that arises from cleaning the flue gases. Through the HaloSep process, it is possible to treat the hazardous waste and extract zinc and other fractions that are useful in society.

## **HIGHLIGHTS** 2021/2022

### FIRST FACILITY IN OPERATION

HaloSep has established the first facility in the world that efficiently separates metals and salts from fly ash. The facility has been built together with one of Copenhagen's largest combined heat and power facilities, Vestforbrænding, where around 13,000 tonnes of fly ash is processed every year to extract zinc, salts and purified ash ready for the commercial market. With reference to the HaloSep process, Vestforbrænding was awarded the "Verdensmålsprisen" by the Danish Waste Association in March 2022.

### NEW DEVELOPMENT FACILITY IN GOTHENBURG

A new development facility in Gothenburg, Sweden, was established and will start operating in early 2023. The objective is to continue developing the HaloSep process to further increase circularity and the recycling of fractions into society.

## HOW THE HALOSEP PROCESS WORKS

**1. WASTE FROM CONSUMPTION**

What is not recycled as material goes to **energy recovery**.

**2. ENERGY RECOVERY**

Provides **heat and electricity** but also generates hazardous waste, such as **fly ash and scrubber liquid**.

The waste has traditionally been deposited in **landfills** in disused mines, which is a costly and unsustainable solution where a large amount of resources are lost.

Unburned material returned to **energy recovery**.

**3. THE HALOSEP PROCESS**

Processing of the ash and scrubber liquid. The process results in three fractions and **0% undesired hazardous waste**.

**4. SOCIETY'S NEED FOR MATERIALS**

**Recycled materials** for construction work, infrastructure projects, and manufacturing of products.

CUTTING-EDGE TECHNOLOGY

A 3D model of a typical HaloSep plant.

# INVESTMENTS AND MANAGEMENT OF FINANCIAL RISKS

Stena Metall Finans serves as the Group's in-house bank. With continuous development of stable and efficient ways of managing liquidity and financial risks, as well as investments in financial assets and financing, Stena Metall Finans contributes to the Group's results in the short and long term.

### GROUP FUNDING

Stena Metall Finans is responsible for all Group funding and to ensure that the desired liquidity situation within the Stena Metall Group is sufficient. Stena Metall Finans is active in the market and is always striving for the best funding options available. Different types of funding instruments are used: Revolving Credit Facilities (RCF), Bonds (see more below) as well as other bilateral and multilateral bank engagements. The liquidity situation is constantly monitored, and the best possible funding structure is sought after and maintained.

### INVESTMENT ACTIVITIES

The financial portfolio consists of four individual elements. The basic portfolio mainly includes companies with a relatively stable earnings capacity and low cyclical sensitivity. Non-correlated assets consist of hedge funds with different strategies without any, or a very low, correlation to the stock market. The third element consists of holdings in various private equity funds with different focuses and different geographical markets. The trading portfolio consists primarily of opportunistic trading and certain holdings that cannot be categorized into the other three portfolios.

## **HIGHLIGHT** 2021/2022

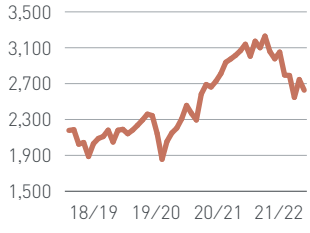
### SOLID INTEREST IN STENA METALL GROUP'S SECOND GREEN BOND WITH TOP RATING

Stena Metall Group's second green bond with "Dark Green" rating, issued during spring 2022, attracted solid interest from investors. The amount was SEK 1 billion and the maturity is five years. The money is targeted for sustainable investments in Stena Recycling, Stena Aluminium and other circular projects within Stena Metall. The Green Bond Framework was also recognized in the independent analysis institute Cicero's 2022 best-practice report.

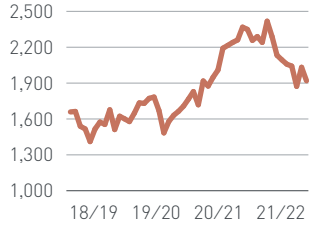
SWEDEN

Oskar Ysander, Deputy Managing Director, Stena Metall Finans and Ann-Sofie Westerbom, Group Accounting Manager, Stena Metall Group.

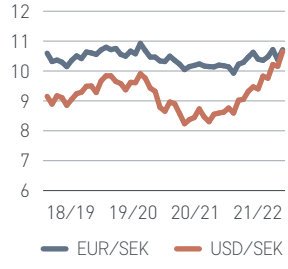
MORGAN STANLEY WORLD INDEX, USD



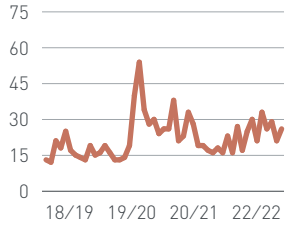

STOCKHOLM STOCK EXCHANGE OMXS30 INDEX




EXCHANGE RATE MOVEMENTS




VIX, VOLATILITY INDEX



**STENA NEW VENTURES**

# BRINGING IDEAS TO LIFE

Stena New Venture's mission is to identify and develop new business opportunities based on ideas both within the Group and through collaboration with, or investment in, start-up companies. This may be a customer need that requires a new approach, or a completely new business concept. Examples of companies that started in Stena New Ventures, and have developed into their own operations, are BatteryLoop and HaloSep.

## **HIGHLIGHTS** 2021/2022

FURTHER INVESTMENTS IN PAPERSHELL AB

During the year, further investments were made in the start-up PaperShell AB, including the financing of a large-scale production facility in Lidköping, Sweden following a first plant already in operation in Tibro, Sweden, where PaperShell manufactures natural fiber-composites. Its mission is to develop an enhanced version of wood from paper. The objective is to replace veneer, plastic, and glass fiber in components that are currently used in consumer goods, interior design and architecture, as well as in transport. PaperShell's material has proven to have a minimal environmental impact compared with most material options on the market. The material behaves like a composite and is much stronger than both plastic and molded wood. This enables significant weight reductions, better resource use and offers additional features such as natural flame retardants, moisture resistance, and increased design freedom and aesthetic values.

**Part of Polestar's "0-project"**

PaperShell is a partner to electric car manufacturer Polestar in its ambition to build a completely climate-neutral car by 2030. The scope of the Polestar 0 project is to identify and eliminate all greenhouse gas emissions from the extraction of raw materials to when the car is delivered to the customer, as well as during the end-of-life handling. The project aims to cut carbon dioxide by changing the way that cars are made, rather than using traditional processes and then planting trees to offset $CO_2e$. Other partners in the Polestar 0 project include Boliden, Ovako and Bulten.

INVESTMENTS IN WASTEWATER TREATMENT TECHNOLOGIES

During the past year the purification of industrial wastewater into usable water and extracted raw materials has been a focus area for New Ventures. Tests and co-development in water treatment have been conducted with a number of start-ups and two new investments were made, in Atium AB and Spec-Imaging AB. Atium's reusable filter technology allows selective removal of mercury from water in a more effective and sustainable way than ever before. Spec-Imaging has developed a Modu-Spectrometer allowing direct extinction measurements in turbid liquids.


SWEDEN

Mikaela Lesnik Renérius, Change Facilitator SWOB/SWOP, Stena Recycling Sweden, at Stena Nordic Recycling Center.

## ABOUT THE REPORT

This is the Stena Metall Group's sixth Sustainability Report. The previous report was published in December 2021. The report describes the Group's sustainability management during the 2021/2022 financial year and concerns Stena Metall AB and its companies. In case of exclusions in the reporting for certain subsidiaries, this is disclosed in the footnotes.

The Group's operations are located at around 200 sites in nine countries. During the past year, a revalidation of the materiality analysis was conducted to ensure that the most significant issues continue to be prioritized in sustainability management. No major changes were identified.

The Sustainability Report supplements the Group's financial information by describing the Group's ambitions, strategy, governance, risk and assessment of opportunities from a sustainability perspective. The Group publishes a Sustainability Report once a year and reports in accordance with the GRI Standards Core option, as well as its own indicators. A full GRI index can be found on pages 76-79. The Group also refers to the UN's Sustainable Development Goals and uses the GHG Protocol to calculate emissions. Since 2022, the Stena Metall Group is also a participant of the UN Global Compact.

This Sustainability Report has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 6. It is submitted by the Board of Directors of Stena Metall AB.

According to a decision by the Board of Directors, the accounts and the report will be audited by an external party. The report, including the statutory Sustainability Report, comprises pages 46–79. The business model is described on pages 6–7. Environmental issues are described on pages 50–53, Social issues on pages 54–55, and Human rights and Anti-corruption on pages 56–57. Sustainability risks for all areas are reported on pages 62-63, and key figures on pages 64–75. Unless otherwise stated, the information refers to the entire Stena Metall Group, including subsidiaries.

# STRATEGIC SUSTAINABILITY WORK

The transition towards a circular economy is an important part of reducing global climate impact. By offering services and solutions that enable increased recycling and reuse of resources, the Stena Metall Group contributes to sustainable development. In addition, extensive internal work is carried out to reduce negative impacts and increase positive impacts in the Group's significant sustainability areas. This work occurs both at Group level and in each subsidiary, and together with other actors and partners in the value chain.

## FOUR SUSTAINABILITY AREAS

To structure its sustainability work and clarify its focus,
the Stena Metall Group works on the basis of four broad sustainability areas:

### VALUE CREATION


### PEOPLE & CULTURE


### RESOURCE EFFICIENCY


### RESPONSIBLE RELATIONSHIPS


THE GLOBAL GOALS
For Sustainable Development

SUSTAINABILITY MANAGEMENT CLOSELY LINKED TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS

Stena Metall's sustainability work is in line with the UN's Sustainable Development Goals, and the contributions made by the Group's operations to achieve the goals have been mapped. During 2022, the Group joined the UN Global Compact. The first Communication of Progress will be submitted in spring 2023.

THE GLOBAL COMPACT
WE SUPPORT

VALUE CREATION

# CREATING VALUE BY CARING FOR RESOURCES

The value created in the Stena Metall Group is based on strong offerings and a focus on innovation. Through close collaboration both within the Group and with customers, as well as through continuous investment in new technology, sustainable value is created for owners, customers and partners, as well as for society as a whole.

In terms of value creation, value chains, business and revenue models, the subsidiaries within the Stena Metall Group show both similarities and differences.

Stena Recycling's services aim to optimize the customers' resource management throughout the entire value chain – from design and production, to recycling or reuse. The overall business objective is to find the most resource-efficient and value-adding ways to take care of customers' waste, turning it into circular, high quality raw materials.

Most of Stena Recycling's revenue comes from the sale of recycled raw materials. The company also has revenue related directly to the management of customers' waste and from consulting services in circular solutions.

For Stena Aluminium, Stena Stål and Stena Oil, the customer value consists primarily of offering innovative products and services of the right quality, with high availability and good opportunities for adjustment according to specific needs. In this way, they strengthen competitiveness and long-term earnings capacity. Revenue comes mainly from the sale of processed raw material products to customers in the automotive industry, the construction sector and the shipping industry.

## CLOSER COOPERATION WITH INDUSTRY, PARTNERS AND CUSTOMERS

Stena Metall strives to provide value for both customers and society at large. To manage the transition to a more circular economy, cooperation, collaboration and partnerships between different sectors are required. To achive a higher degree of circularity in a product, the entire value chain must be considered – from initial development and design, to production, use and recycling. It is about conceptualizing circularity from the start, which requires challenging the status quo of linear production models and finding new solutions. By tackling these challenges together with different partners in the value chain, they can be turned into value-adding opportunities. During the year, a large number of customer relationships were deepened through the establishment of new projects for both existing and new customers, including Polestar, Boliden and Norsirk. Read more about these projects on pages 14–21.

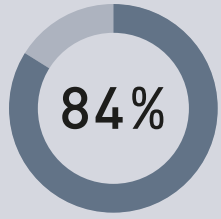
### Fourth consecutive Circular Initiative

For the fourth consecutive year, Stena Recycling was the main organizer of the Circular Initiative, a collaborative arena where participating companies meet to discuss and develop specific measures for more circular materials flows in Swedish industry. The initiative was launched by Stena Recycling in 2019 and encompasses a number of circular collaboration projects between the participating companies, which are carried on throughout the year. Representatives from participating companies gather annually to present the results of the projects. This year the guests and speakers were senior representatives from Investor, ABB, Electrolux, Alfa Laval, SKF, SEB, Polestar, Blomsterlandet, H2 Green Steel, and Knut och Alice Wallenberg Foundation.

## BUILDING FOR THE FUTURE

To enable long-term value creation, ongoing investments are made in both new and existing businesses. In the recycling business, several projects are underway that are aimed at increasing the proportion of materials that can be used as new raw materials, or even transformed into new products. Major initiatives in 2021/2022 include Stena Recycling's continued investments in

Warehouse Worker Thomas Svensson at Stena Stål in Helsingborg, Sweden.



PERCENTAGE OF SATISFIED OR VERY SATISFIED CUSTOMERS

battery recycling. Other major projects include the establishment of new plastic waste processes in Poland and Italy. The plants will recycle plastic into pellets, which can then be used in the production of new goods.

To finance investments that contribute to increased circularity, a new Green Bond was issued during the year. The Green Bond framework was rated Dark Green – the highest possible rating – by the independent analysis institute Cicero. Read more about our Green Bonds on page 42.

### VALUE ADDING THROUGH ACQUISITIONS

Part of Stena Metall Group's value creation stems from the acquisition of new, innovative companies. Stena Recycling has acquired Moreco Group AB, a leader in circular services for servers and other IT equipment. This will allow Stena Recycling to further develop re-use services for IT equipment, and promote circular business models in this sector. Stena Recycling has also acquired Swerec's plastic recycling plant in Lanna, Sweden, and Pireva's facility for handling hazardous waste in Piteå, Sweden. These acquisitions will contribute to increased capacity and expertise within these areas, and strengthen the long-term strategy. For instance, the Swerec acquisition contributes to the wider ambition of developing the capacity for plastics recycling, both in terms of volume and variety.

### INCREASED CUSTOMER SATISFACTION

Customer experience of value creation is followed up continuously through ongoing dialogue. Most of the companies also conduct regular customer surveys to get feedback on the perceived level of quality and service and on how the customer offering can be developed further.

Overall, the proportion of satisfied or very satisfied customers in 2021/2022 for the companies conducting customer surveys was 84%; a steady increase for the third consecutive year. The figure concerns all companies that have conducted a customer survey over the past two years, which includes Stena Stål, Stena Metal International, and all Stena Recycling companies except in Germany.

### FROM PROCESS WASTE TO COMPETITIVE PLANTING SOIL

Succeeding in transforming waste into recycled resources is a cornerstone of sustainability and circularity. Through an innovative collaboration with Blomsterlandet and Ahlstrom-Munksjö, Stena Recycling Sweden has managed to develop a climate-friendly plant soil from recycled materials.

In paper production, the residual product fiber mulch is generated, which usually has no commercial use. Through this new collaboration, fiber mulch can now be used in a new product, which is a big step up in the waste hierarchy.

Another major advantage in this context is that the fiber soil replaces peat. Peat, which is usually included in planting soil, has the disadvantage of causing large carbon dioxide emissions when it is extracted from the ground. Thus, when fiber soil replaces peat, the soil gets a significantly smaller climate footprint.



### TARGETS

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation

8.4 Improve global resource efficiency in consumption and production

9.4 Upgrade infrastructure and retrofit industries to make them sustainable

11.6 Reduce the adverse per capita environmental impact of cities

12.2 Achieve the sustainable management and efficient use of natural resources

12.4 Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle

12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse

17.17 Encourage and promote effective public, public-private and civil society partnerships

### STENA METALL'S CONTRIBUTION

- The Group's recycling operations contribute to reducing the use of resources by returning materials back into the circular economy.
- Through technical innovation in the recycling processes, as well as the development of new services within circular solutions, the Group contributes to the development and advancement of waste management and circularity.
- Stena Metall is engaged in a number of different partnerships with the aim of driving the shift towards a more circular economy, and has also founded the Circular Initiative collaboration arena.

RESOURCE EFFICIENCY

# TOWARDS CIRCULARITY AND REDUCED CLIMATE IMPACT

By enabling the circular use of materials through its recycling operations, the Stena Metall Group contributes to reducing climate impact. The Group also 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.

Stena Recycling Sweden Branch Manager Gustav Johansson together with Production Workers Anne Svanberg and Alex Kjernald in Skövde, Sweden.

## CIRCULARITY AND POSITIVE CLIMATE IMPACT

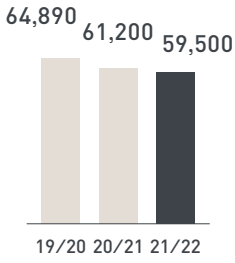
During the year, Stena Recycling's operations handled around 6 million tonnes of waste. The proportion of materials that were recycled or sent for reuse increased from 76 percent last year to 78 percent of the total volume handled. Through investments and innovation, the Group is working continuously to optimize recycling rates and move waste higher up in the waste hierarchy.

Recycled materials often have a significantly lower carbon footprint than if equivalent materials had been produced from virgin resources. This is especially notable for metals, where for instance production of aluminium from recycled materials requires up to 95% less energy consumption than virgin aluminium production. When recycled raw materials replace the need for virgin resources, significant carbon dioxide emissions can often be avoided.

Stena Recycling has developed a method for calculating these avoided emissions, based on the differences in emissions between virgin and recycled materials. During 2021/2022, Stena Recycling's recycled materials contributed to avoiding over 9 million tonnes of carbon dioxide emissions, compared with if the equivalent volume of raw materials had been produced by extraction and processing of virgin materials. By using recycled aluminium to produce new raw materials, Stena Aluminium is also a part of the value chain that contributes to these emissions savings.

## STRIVING TO REDUCE THE CLIMATE FOOTPRINT

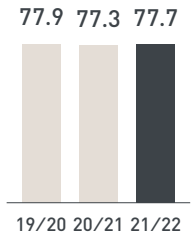
Like most industrial activities, Stena Metall's plants and processes consume energy and generate carbon dioxide emissions. Stena Metall follows the Greenhouse gas (GHG) protocol for reporting emissions and currently reports emissions in



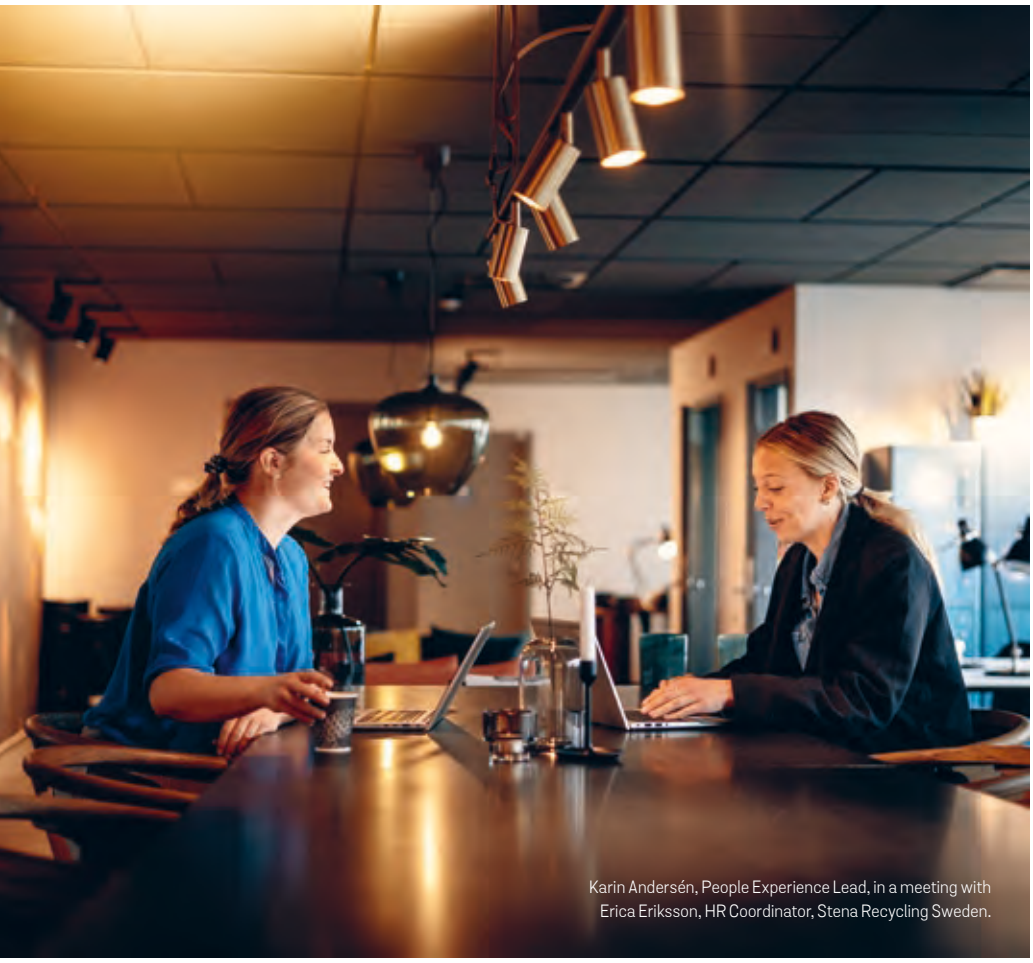

TONNES OF $CO_2$ SCOPE 1 & 2

9,231

AVOIDED $CO_2$ EMISSIONS (THOUSAND TONNES)




RECYCLING RATE (%) (REUSE, RECYCLING AND BIOTREATMENT)



Karin Andersén, People Experience Lead, in a meeting with Erica Eriksson, HR Coordinator, Stena Recycling Sweden.

Scope 1 and 2 at Group level, which includes emissions from the Group's own operations as well as from purchased energy. The Group's main emissions in Scope 1 and 2 are due to combustion of diesel and LPG, and from purchased electricity. The main consumption of diesel is as fuel for working machines and transportation with own trucks. LPG is mainly used for the smelting process at Stena Aluminium, but to some extent also for working machines. Electricity is used at facilities, and increasingly also for machinery and vehicles.

The Group's overall ambition is to continuously reduce both energy consumption and carbon dioxide emissions. To clarify this ambition, the Stena Recycling companies in all markets committed to the Science Based Targets initiative (SBTi) in 2022, pledging to set science-based climate targets aligned with the 1.5°C ambition of the Paris Climate Agreement. Besides contributing to keep global warming below 1.5°C, Stena Recycling is also committing to setting a long-term net zero target in accordance with the Science Based Targets initiative (SBTi) Net-Zero Standard to become climate neutral by 2050.

The next step is to conduct a full mapping of GHG emissions for the recycling companies, including all three scopes, and to set targets to submit for approval by the SBTi. The Stena Recycling companies started mapping Scope 3 emissions during 2021/2022, with the aim to complete the mapping and submit targets to the SBTi in spring 2023. Stena Aluminium, Stena Stål and Stena Oil have also initiated processes to follow up Scope 3 emissions for prioritized categories and the work will continue during 2022/2023.

During the year, a new assessment was made for the emissions from marine gas oil (MGO) associated with Stena Oil's operations. These emissions have previously been reported in Scope 1, but the assessment concluded that they should be attributed to Scope 3, since the ships are neither owned nor operated by Stena Oil. These emissions have therefore been omitted from the current reporting, which only covers Scopes 1 and 2, and retroactive corrections have been made. These emissions will be incorporated again when the scope 3 mapping is implemented in the sustainability reporting.


**TARGETS**

6.3 Improve water quality and wastewater treatment and increase reuse

6.4 Increase water-use efficiency and ensure freshwater supplies

7.3 Double the rate of improvement in energy efficiency

8.4 Improve global resource efficiency in consumption and production

12.2 Achieve the sustainable management and efficient use of natural resources

12.4 Environmentally sound management of chemicals and all wastes

12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation

**STENA METALL'S CONTRIBUTION**

- Stena Recycling works with continuous development to offer the best possible solutions for customers' waste management, including responsible management of hazardous waste.
- The companies in the Group seek to move products upwards in the waste hieracrhy, thereby contributing to more efficient use of resources and circularity.
- Active work with reduced energy consumption and climate impact is conducted in all operations.
- Circular materials often have a significantly lower climate impact than the production of virgin raw materials.
- Recycling operations include efficient wastewater treatment processes.

### $CO_2$ EMISSIONS DEVELOPMENT

During 2021/2022, absolute carbon dioxide emissions in Scope 1 and 2 decreased by 3 percent compared with the previous year. The main reason for this development is reduced emissions from electricity use since all Swedish companies for the first time purchased renewable electricity for the full accounting year.

**Increasing use of renewable energy sources**

In addition to ongoing energy efficiency measures, the Group is working on switching to energy from renewable sources. Since 2021, all Swedish companies, including Stena Recycling, Stena Aluminium, Stena Stål and Stena Oil, purchase origin-labeled hydropower-generated electricity. Stena Recycling in Italy also uses origin-labeled electricity in its plants. This means that a significant majority of the Group's plants are run on electricity from renewable sources. All in all, the proportion of origin-labeled electricity used by the Group in the financial year amounted to 69 percent of all electricity purchased, which is the same as the previous financial year. Efforts to increase the proportion of renewable energy are ongoing.

There are also ongoing plans to install solar panels on several sites; Stena Recycling in Denmark and Italy are planning installations in 2022/2023. Stena Nordic Recycling Center in Halmstad installed solar panels in 2021, which contributed 243 MWh to the site's energy consumption in the past year.

**Transport**

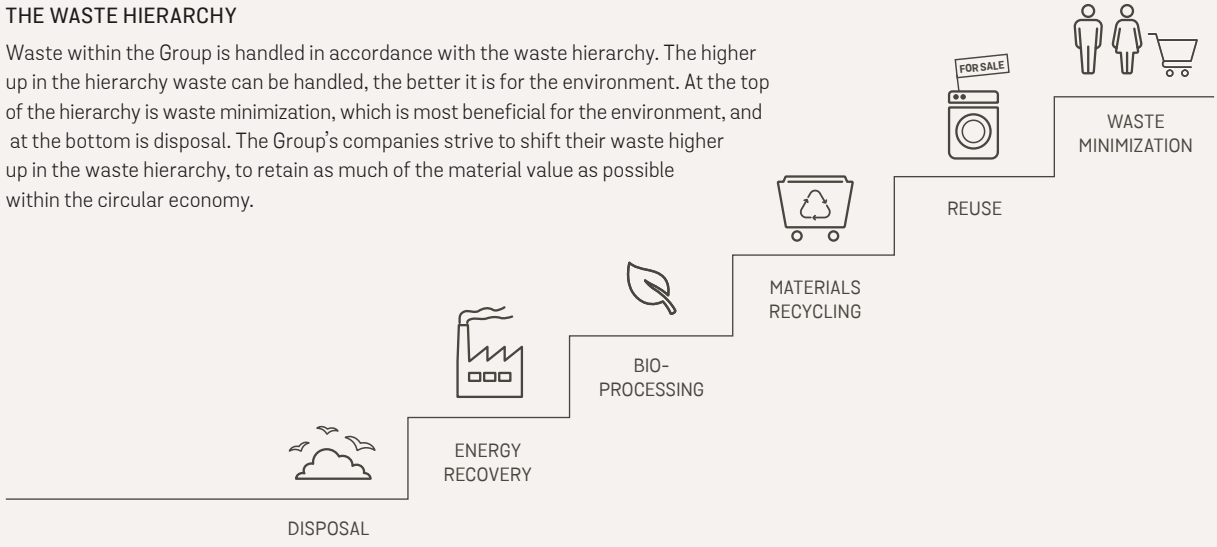
Transport accounts for a significant share of the Group's total climate impact. Measures to reduce transport-related climate impact include more stringent requirements on suppliers and greater efficiency through route optimization. Measures also include transition to less emission-intensive transport such as rail freight where possible, and switching to the renewable fuel HVO100. Stena Recycling and Stena Stål especially are dedicated to replacing diesel with HVO100. As a result, consumption of HVO100 has increased by 87 percent since last year, replacing the equivalent fossil diesel consumption.

There is also a gradual switch to electrified vehicles in several operations, as the machine fleet is replaced.


Giampietro Grigolato, Driver at Stena Recycling's site in Angiari, Italy.

### THE WASTE HIERARCHY

Waste within the Group is handled in accordance with the waste hierarchy. The higher up in the hierarchy waste can be handled, the better it is for the environment. At the top of the hierarchy is waste minimization, which is most beneficial for the environment, and at the bottom is disposal. The Group's companies strive to shift their waste higher up in the waste hierarchy, to retain as much of the material value as possible within the circular economy.



## WATER RECYCLING AND USAGE

The Group's impact on water is not only related to own use – within Stena Recycling's operations, wastewater is collected from customers, cleaned of pollutants, and returned to the ecocycle. During the fiscal year the volumes of treated and purified wastewater returned to the ecocycle significantly exceeded the Group's total water consumption.

The purposes for water use vary within the Group. The recycling operations account for the largest share of water used in production, where the main volumes are used for cooling of shredders, dust control, washing of filters and other equipment, and for density separation of waste fractions in water baths. Aluminium smelting also accounts for a significant proportion of water consumption, since water is used in the cooling processes for cast aluminium bars.

In overall terms, water consumption increased by 26 percent compared with the previous year, mainly due to increased operational activity. Initiatives to reduce water consumption include use of rainwater in the processes, thereby reducing municipal water consumption.

The acquisition of Pireva in Piteå is a further step in the Group's capacity to treat wastewater, in particular water polluted with oil.

# A VALUE-BASED CULTURE WITH STRONG BUSINESS ACUMEN

The people who carry out the everyday work are at the core of any organization. In today's fast-moving world, it is more important than ever to attract employees with the skills and engagement to navigate ever-changing environments. At the Stena Metall Group, the corporate culture encourages strong business acumen and personal drive, which empowers the Group's people to create value every day, throughout the whole organization.

On-site meeting at SNRC. Karin Andersén, People Experience Lead, with Evelina Jahn, Production Manager,and Ella Lindberg Backelin, HR Intern, Stena Recycling Sweden.

The Stena Metall Group's success factors include passionate employees with the right skills. Delegated business acumen and a shared set of values, a safe and secure working environment, and continuous professional development form the basis for all of the Group's activities. Stena Metall's culture is based on the Group's three core values – simplicity, reliability and development – as well as the Group's Code of Conduct.

### A PEOPLE STRATEGY ALIGNED WITH THE BUSINESS STRATEGY

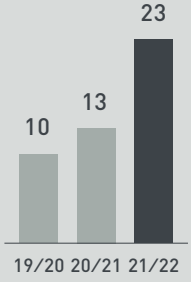
The Stena Metall Group has long been characterized by delegated business acumen, based on a culture of significant personal responsibility and commitment. Delegated business acumen contributes to the ability to make business decisions and manage change quickly.

To set a common long-term direction and a more harmonized way of working within People & Culture, a new People Strategy for the organization was launched in 2020/2021, and work with implementation has continued during the year. The new strategy aims to highlight the overarching goals in the area and to develop a common platform for issues related to People & Culture. The overall objectives concern attracting and engaging employees, promoting learning, development and leadership, and further emphasizing the value-based culture.

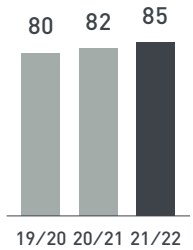
The strategy has identified a number of key activities, and the focus for the 2021/2022 financial year has been to define the value proposition and branding activities to attract key competence and to build a common ground for leadership and employee-ship based on our culture and values. In addition to group initiatives, several local activities have been started that will be managed by each company.

### CONTINUOUS ADAPTATIONS AND DEVELOPMENT

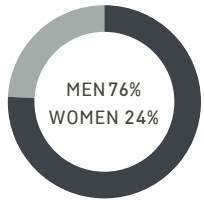
A rapidly changing world means that both the Stena Metall Group as a whole and individual employees need to continuously develop. Being able to respond to change and act in uncertain situations will become increasingly important in the future. Some crucial components to succeed will be the ability to find time for reflection in the daily work,



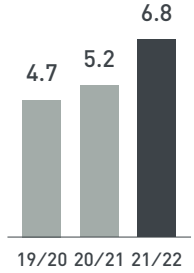
EMPLOYEE NET PROMOTER SCORE



LEADERSHIP INDEX



BREAKDOWN OF EMPLOYEES, %



ACCIDENT FREQUENCY (LTIF)

the ability to share knowledge, and the willingness to learn new things. The goal within Learning and Development is to make knowledge and training easily available where and when it is needed. To succeed with this, a project has been initiated to identify how to create environments where sharing knowledge and reflections comes more naturally and where digital tools enable better communication.

### CARE FOR POTENTIAL: NEW INTERNATIONAL TRAINEE PROGRAM WITHIN STENA RECYCLING

In the fall of 2022, Stena Recycling launched a new international trainee program. "Care for potential" gives committed talents the opportunity to kick-start their careers at one of the leading recycling companies in Europe. The program aims to increase the internal leadership potential and to see more women in leading positions in the company.

In 2022, 14 trainees in Sweden, Norway, Finland, Poland and Italy were recruited. The trainee program attracts new employees with key competencies and is designed based on the value chain. Trainees will encounter a varied and challenging experience both in a digital training environment and on-the-job experience, combining virtual learning activities with practical hands-on projects.

### SYSTEMATIC HEALTH AND SAFETY MEASURES

The Group works continuously to limit safety related risks, with the aim of preventing any accidents from occurring. The companies apply a shared Group framework with joint, systematic health and safety measures, including risk identification and continuous follow-up. Most companies in the Stena Metall Group hold working environment certification in accordance with ISO 45001.

During the fiscal year, the time lost due to accidents per million hours worked increased from 5.2 to 6.8. In the analysis of this increase, part of the reason is attributed to the unusual working-conditions during Covid-19, which caused a disruption to established routines. This is being remedied through the re-establishment and return to normal safety rouines. The total number of accidents, however, decreased by nearly 10 percent.

Each individual accident was thoroughly investigated in accordance with established procedures, and appropriate measures were taken on the basis of each case. An aggregated analysis of the reported accidents and near misses has also been made, which functions as the basis for the safety strategy. Key elements include proper onboarding, visible and strong leadership, implementation of stable systems based on best practice, improvements in the physical work environment, and hands-on coaching and support.

### EMPLOYEE SURVEY @STENA

Stena Metall aims to create a culture where people feel engaged at work and enjoy creating results together. To follow up on engagement and other workplace perceptions among employees, the Group's employee survey @Stena is conducted twice a year. The survey is a dynamic tool that employees can use to submit comments and suggestions for improvement in their working environment. Areas that are measured and followed up, at both Group and team level, include the organizational and psychosocial working environment, leadership, commitment and Employee Net Promoter Score (eNPS). During the 2021/2022 financial year, all of these four indicators showed positive development or remained at the same level. Especially notable was the development in the eNPS index, an important indicator of employee satisfaction, which leapt from 13 the previous year to 23, well above the global benchmark of 16.

### DIVERSITY AND INCLUSION

Research repeatedly shows that gender equality and diversity generate increased profitability through improved customer understanding, better market reflection, increased wellbeing and lower sickleave among employees, more informed decision-making, and increased creativity.

Stena Metall is working actively to promote equality, inclusion and diversity. Important aspects of this include increasing awareness of unconscious bias and preventing discrimination. The goal is to ensure that fundamental rights are respected but also to make the most of the creativity and added value that people's differences and diverse interactions provide, thereby creating a dynamic organization that can offer high-quality products and services.

To reduce the risk of being influenced by preconceptions concerning the right person for a particular role, Stena Recycling Sweden uses a skills-based recruitment process with objective and reliable selection methods where name, gender and age are not visible in the first selection steps. This allows selection based entirely on competency and suitability. The goal is that 30 percent of managers and 15 percent of production workers will be women by 2025 and that the percentage of workers with foreign backgrounds will eventually reflect society as a whole.

Despite improvements, there is still an under-representation of female employees in certain parts of the organization, particularly in production. To address this, a high level Group approach has been launched, with continuous follow-up on board level.

Madou Keita works at the Carpi site as a Solar panel treatment operator Tred for Stena Recycling Italy.


**TARGETS**

5.5 Ensure women's full and effective participation and equal opportunities for leadership

8.8 Protect labor rights and promote safe and secure working environments for all workers

**STENA METALL'S CONTRIBUTION**

- Stena Metall works to achieve a more even gender distribution in its operations, in management positions and in production sites, where women are underrepresented.
- The Group has an active safety policy to create the safest possible workplace for its people.

# DIALOGUE AND COOPERATION

Stena Metall's ambition is to be an open, accessible and responsible actor with a high level of expertise in resource management and circular flows. With a local presence and in open dialogue with the outside world, its activities will contribute to positive development for both customers and society at large.

## GROUP-WIDE CODE OF CONDUCT

Stena Metall's Group-wide Code of Conduct (CoC) is ratified by the Board of Directors and applicable to all companies in the Group. The Code of Conduct is based on the values of the Group's principal owner and the UN Global Compact's principles for labor rights, the environment, human rights, and anti-corruption. The CoC was revised and adopted by the Board of Directors in 2021 and implementation of the updated Code has been ongoing during 2022.

The CoC is readily available to all employees in the local language. All employees in the Group must be familiar with, understand and comply with the Code of Conduct. The CoC is part of the introduction program for new employees and is also supplemented with an e-learning course for additional guidance.

Following the revision of the Code of Conduct, the associated e-learning program was updated during the year. The data collection processes were also overseen to provide a quality-assured basis and to support companies in implementing the Code of Conduct in their operations. At the end of the fiscal year, 75 percent of all of the Group's employees had signed the Code of Conduct and 71 percent of all employees had also conducted the updated e-learning that was launched before summer 2022. The implementation of the CoC e-learning will continue during the year with the aim to reach all employees in the Group.

### Code of Conduct for Business Partners

Stena Metall's relationships with suppliers and other business partners are governed by the Business Partner Code of Conduct. The Code of Conduct for Business Partners is consistent with the expectations described in Stena Metall's internal Code of Conduct, but addresses the Group's external suppliers and other partners. The implementation of the Code of Conduct for Business Partners continued during the year, in part through the launch of a new self-assessment process for indirect suppliers. This system brings many advantages, including harmonized processes and an overview of risk assessments in the value chain. The self-assessment has been answered by 60 suppliers, including 32 of the Group's 50 biggest suppliers. They make up around 14% of total spend. The assessment covers sustainability performance in environmental, social, human rights, quality and governance matters. Implementation of the self-assessment will continue during 2022/2023 with expansion of the scope to include a larger quantity of suppliers, based on spend and significance to the Group's operations.

## HUMAN RIGHTS

In addition to the Group's Code of Conduct, Stena Metall has a human rights policy which sets out the Group's position and ambitions in this area. The Group complies with the eight core conventions of the International Labour Organization (ILO). The conventions concern fundamental human rights to promote decent work for everyone. Stena Metall also supports and respects the UN Declaration on Human Rights and the ILO's International Program on the Elimination of Child Labour (IPEC). Human rights monitoring is conducted through the supplier assessments mentioned above, and through implementation of the Group's Code of Conduct for Business Partners in the value chain. It is also a mandatory

HR Specialist, Sofia Böhmfeld, at Stena Recycling Sweden.

**71%**

SHARE OF EMPLOYEES THAT HAVE CONDUCTED THE GROUP'S CODE OF CONDUCT E-LEARNING.

The e-learning was launched in late spring 2022. The implementation campaign is still ongoing, with the aim to reach all employees in the Group.

risk to assess in the Group-wide annual risk assessment, which is managed by the Group's Governance, Risk & Compliance function.

The sales company Stena Metal International conducts sustainability assessments downstream in the value chain. The purpose of this is to monitor environmental and social issues faced by customers in countries that rank higher on sustainability risk indexes. Country-specific risk is evaluated according to their ranking in the Environmental Performance Index, the Business Social Compliance Initiative, and the Corruption Perceptions Index. All new customers in high-risk countries complete a self-assessment where they confirm compliance with applicable laws and requirements, and provide information about how they work with environmental matters, social matters, and with human rights.

The development of a systematic Group-wide Human Rights Due Diligence process is planned during 2022/23.

### ANTI-CORRUPTION

Issues relating to corruption are addressed in the internal Code of Conduct and in the Code of Conduct for Business Partners. In addition, Stena Metall has adopted an anti-corruption policy which stipulates the Group's position against all forms of corruption and serves as a guide for systematic preventive work.

There is zero tolerance of all forms of corruption, including all types of bribery and illegal payments. If an employee discovers a violation of the Codes of Conduct, values, policies or applicable law, the misconduct can be reported anonymously via a whistleblower service provided by a third party. The purpose of the anonymous service is to bring any irregularities to Stena Metall's attention without fear of reprisals for the person making the whistleblower report. During the past year, two whistleblower cases were raised, none of which was related to corruption. No other information came to light to indicate that any corruption-related incidents occurred during the financial year.

### THE STENA METALL GROUP JOINS THE UN GLOBAL COMPACT

At the start of 2022, the Stena Metall Group signed the commitment to integrate the 10 principles of the United Nations Global Compact (UNGC) initiative as part of the company's strategy, culture, and day-to-day operations. By joining the UNGC, the Stena Metall Group will be part of a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.

The UN Global Compact is a call to companies to align their operations and strategies with 10 universally accepted principles in the areas of human rights, labor rights, environment, and anti-corruption. Participating companies are also taking action in support of the UN Sustainable Development Goals (SDG) which have been integrated into Stena Metall Group's sustainability strategy for several years

Launched in 2000, the UN Global Compact is the largest corporate sustainability initiative in the world, with more than 15,000 companies and 3,800 non-business signatories based in over 160 countries.

Seen at the Circular Initiative are (left to right) Anna Sundell, Sustainability Manager at Stena Metall, Sander Jahilo, Circular Lead at Polestar, Vanessa Butani, VP Group Sustainability at Electrolux and Anna Olin Kardell, Moderator for the Circular Initiative 2022.

**TARGETS**

16.5 Substantially reduce corruption and bribery in all their forms

17.17 Encourage and promote effective public, public-private and civil society partnerships

**STENA METALL'S CONTRIBUTION**

- Based on the Code of Conduct and the Group's Anti-Corruption Policy, Stena Metall works to counter and prevent corruption through training and risk analyses, and by implementing the values of the Code of Conduct in the value chain.
- Stena Metall participates in a number of different partnerships to promote sustainability and circularity, both within the Group and in collaboration with other stakeholders.

# ORGANIZATION FOR SUSTAINABILITY WORK

The Group's sustainability work is conducted as a close collaboration between the Group-level sustainability function and the companies. The Group function has overall responsibility for managing the Group's values, Code of Conduct, policies, and governing shared sustainability initiatives. Certain initiatives are also run jointly at Group level to harmonize work and streamline processes. The Group-level coordination also facilitates communication between sustainability departments, which enables companies to inspire each other in their work.

The Group's organization for the development of sustainability work is based on a network structure which consists of the Group sustainability function and sustainability coordinators in each company. The coordinators in the respective companies work closely with their CEO and with representatives for specialist areas such as HR, marketing and communications, environment, safety, and production. The coordinators in turn report to the sustainability manager at Group level, who has direct access to Group management and Group-wide functions such as R&D, property, IT, purchasing, marketing and communications, safety, and HR. The sustainability network collaborates on setting the common sustainability program for the Group as well as for implementing common initiatives.

The governing body for the sustainability network is the Sustainability Decision Forum, which consists of selected company managers and representatives from Group management. The Sustainability Decision Forum is informed by the Group Sustainability Manager. At the behest of the Sustainability Decision Forum, key decisions can also be escalated to Group management or the Group Board of Directors. Certain issues relating to internal control can be escalated to the Group Audit Committee.

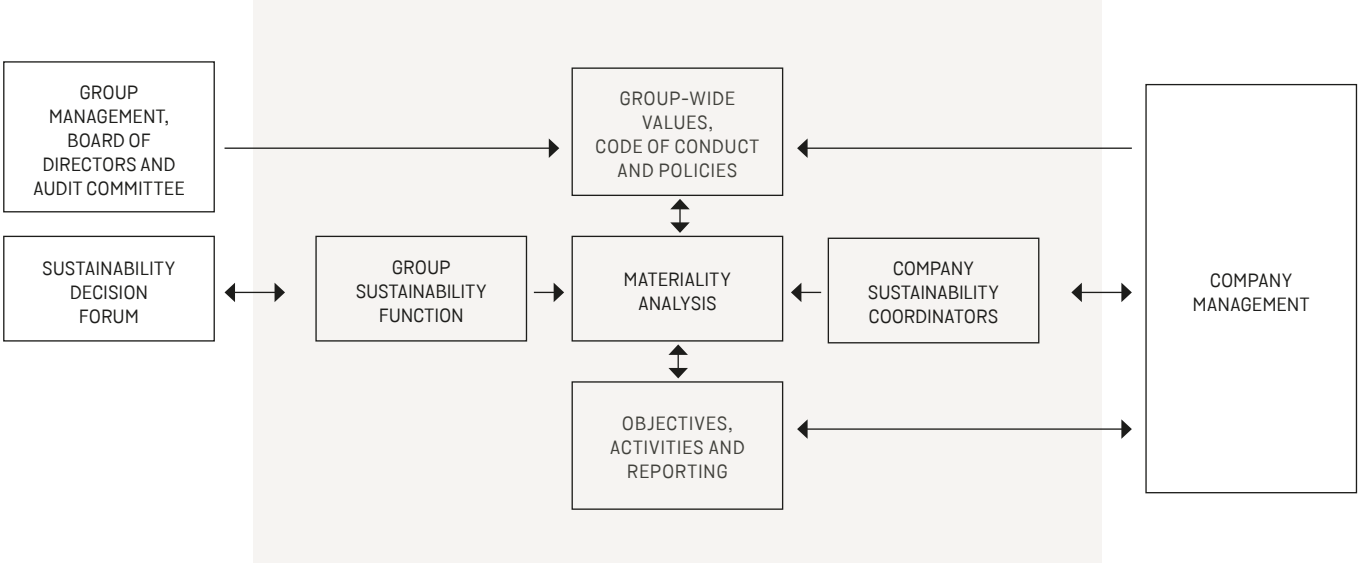
### MANAGEMENT SYSTEM

Most of the Group's companies are certified in accordance with ISO 14001 environmental management system, ISO 9001 quality management system and ISO 45001 management system for occupational health and safety. The management systems contribute to promoting a good working environment and a systematic work approach focusing on risk management, follow-up and continuous improvement. WEEELABEX and/or Cenelec, which are standards for the management and recycling of electrical waste, are also applied for electronic recycling. Denmark has included energy management in ISO 14001.

### STENA WAY OF PRODUCTION AND BRANCHES

An important aspect of the Group's continuous improvement work is the LEAN-inspired program implemented and used in operations. The program is referred to as the Stena Way of Production (SWOP) for production facilities and the Stena Way of Branches (SWOB) for branch operations. The program is developed to correlate the organization's maturity in using different LEAN tools with development in the key operational indicators. This leads to more stable results and more sustainable operations over time, by focusing on continuous improvement and a harmonized approach.

**STENA METALL'S SUSTAINABILITY ORGANIZATION**



# GOVERNING FRAMEWORKS AND GUIDELINES

As an addition to the applicable legislation, Stena Metall Group has formulated and adopted a framework that sets out guidelines for how the Group is to act in relation to customers, employees and the world around us. The most important parts are presented below. All Group-wide policies are adopted by Group management, except for the Code of Conduct which is adopted by the Group's Board of Directors.

### VALUES AND CODES OF CONDUCT

Stena Metall's Code of Conduct and core values together constitute overarching guidelines for all conduct within the company. The Group's Code of Conduct is based on the principal owner's values and the principles of the UN Global Compact. The Code of Conduct sets out the guiding principles that aim to ensure that operations are conducted in an ethically, socially and environmentally correct way.

To reinforce the Group's expectations that suppliers, customers and other business partners work in line with Stena Metall's values, a Group-wide Code of Conduct for Business Partners has also been adopted. The Code of Conduct for Business Partners reflects the values and guidelines of the Group's internal Code of Conduct, but is aimed at external partners in the companies' value chains.

Read more about the Code of Conduct and Code of Conduct for Business Partners on page 56.

### GOVERNING DOCUMENTS

In addition to the Code of Conduct, there are a number of Group-wide policies that must be observed by all employees. These are:

- Health, Working Environment and Safety Policy
- Anti-Corruption Policy
- Human Rights Policy
- Information Security Policy

Moreover, each company has its own procedures and instructions in place that complement the Code of Conduct and the Group-wide governing documents, for example in the areas of the environment, quality, and occupational health and safety. The diversity of companies in the Group necessitates specific guidelines to ensure that each part of the organization operates in accordance with the high standard expected by Stena Metall.

### JOINT WHISTLEBLOWER SERVICE

There are procedures in place for communicating if an employee discovers any violations to the Group's Code of Conduct, values, policies or applicable legislation. In the first instance, employees are encouraged to talk to their manager, their manager's superior or HR. If this is not deemed appropriate, it is possible to report incidents anonymously in a whistleblower system provided by an external partner. All employees are informed of how to do this as part of their onboarding.

### MEMBERSHIP IN ORGANIZATIONS AND FORUMS FOCUSING ON SUSTAINABILITY

The Stena Metall Group companies are members of, and play an active part in, a number of forums and industry associations where sustainability initiatives are performed, primarily concerning increased recycling and the circular economy. These are:


| |
|---|
| EuRIC |
| Competence Center Recycling |
| Delegation for circular economy |
| Programrådet Batterifonden (Battery Alliance Programme Council) |
| Swedish Anti-Corruption Institute |
| IREPAS (International Rebar Exporters and Producers Association) |
| BIR (Bureau of International Recycling) |
| European Aluminium |
| Swedish Aluminium |
| Swedish Foundry Association |
| Gesamverband der Aluminiumindustrie e.V. (GDA) (General Association of the Aluminium Industry) |
| Aluminium Denmark |
| Återvinningsindustrierna (Industry organization for recycling companies) |
| European Recovered Paper Association |
| Ref group Delegation for Circular Economy |
| Bureau of International Recycling (BIR) (paper) |
| Haga Initiative |
| Stål- och Metallföreningen (Steel and Metal Association) |
| Mekaniska Verkstäders Riksförbund (Swedish Association of Engineering Workshops) |

| |
|---|
| Swedish Institute of Steel Construction |
| Danish Industry – ARI |
| DAKOFA |
| Polski Pakt Plastikowy (Polish Plastics Pact) |
| Technology Industries of Finland |
| The Finnish Scrapdealers Association |
| Finnish Car Recycling Ltd (ELV producer responsibility organization) |
| Zerois – Finland |
| Finnish Waste Management Association JHY |
| Izba Przemysłowo (Krakow Chamber of Commerce and Industry) |
| Forum Odpowiedzialnego Biznesu (The Responsible Business Forum) |
| Polish Izba Gospodarki Odpadami (Polish Chamber of Waste Management) |
| Skandynawsko-Polish Izba Gospodarcza (Scandinavian-Polish Chamber of Commerce) |
| Norwegian Industry |
| Norwegian Recycled Metal Association |
| The Federation of Norwegian Industries |
| NFFA – Norwegian Association for Hazardous Waste |
| Italian Recyclers Association ASSORAEE |
| EMSA European Maritime Safety Agency |

# DIALOGUE WITH STAKEHOLDERS

Through a continuous and open dialogue with consideration for external expectations and stakeholder needs, Stena Metall continues to integrate sustainability into all operational areas. The most important stakeholders are the groups that are most impacted by and/or impact operations. Their views provide a valuable platform for developing the Group's operations, business offerings and sustainability work.

The focus of the external stakeholder dialogue over the year has focused on the circular economy as a cornerstone of sustainability. Both at EU level and at national level there is a lot of development related to legislation regarding the environment and waste management. The Stena Metall Group is involved in several processes through participation in consultation groups and responses to consultation rounds, either directly or through industry associations. This engagement aims to apply the Group's expertise and experience to improve the conditions for recycled raw materials and increased circularity. For instance, during the year Stena Metall participated in the expert group for circular design strategies, contributing to a report with recommendations for the Swedish Delegation for Circular Economy.

A new Green Bond was issued in the spring of 2022. The bond had a nominal amount of SEK 1 billion and was the second Green Bond to be issued by Stena Metall. The process of launching the Green Bond included significant stakeholder dialogue with investors and banks. There is great interest in the financial market for ESG-oriented investments. The new Green Bond framework, which encompasses investments that contribute to increased circularity, was rated Dark Green by the independent analysis institute Cicero - the highest rating possible. More information about the Green Bonds is published in the annual Green Bond Report.

To provide a systematic forum for continuous employee dialogue, the employee survey @Stena is conducted twice annually. The survey is Group-wide and conducted in the fall, with a small-scale follow-up session in the spring. All managers with directly reporting employees are given access to the survey summary to continue working on the results in their own departments.

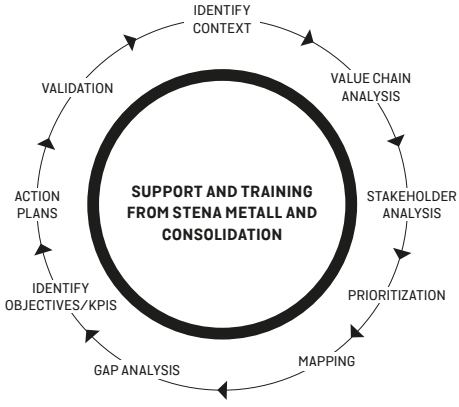
The last Group-wide update to Stena Metall's materiality analysis and stakeholder analysis, was conducted in 2020/2021. The stakeholder analysis was conducted at a company level and included groups such as customers, employees, local residents, and authorities. The stakeholder perspective was evaluated in relation to the companies' analysis of material impacts and then consolidated into the Group's joint materiality analysis that forms the basis for Stena Metall's sustainability work and reporting.

| STAKEHOLDER | Examples of dialogues and activities | Examples of questions important for the stakeholder groups |
|---|---|---|
| BANKS AND FINANCIAL INSTITUTIONS | Ongoing dialogue | Financial position and profit trend |
| | Capital market information meetings | ESG matters and sustainability from an investor perspective |
| CUSTOMERS, PARTNERS AND SUPPLIERS | Ongoing dialogue | High recycling rates |
| | Digital meetings | Expertise and skills in materials and resource management |
| | Webinars | Good service and the right quality of materials |
| | Customer surveys | Safe operations and good control of risks |
| | | Reliable waste management statistics |
| | | Control in the value chain and traceability of materials |
| | | Reduced climate impact |
| | | Partnerships and interactions for circular solutions |
| EMPLOYEES | Employee survey | Opportunity for skills and career development |
| | Ongoing dialogues | Security and management of the Covid pandemic |
| | | Wellbeing and good leadership |
| | | Safe and secure workplace |
| AUTHORITIES | Consultation meetings | Environmental impact and climate adaptations from operations |
| | Supervision meetings | Safety and a good working environment |
| | Participation in reference and consultation groups | Compliance with legislation and development of legislation in relation to circular economy |
| POLITICIANS AND DECISION-MAKERS | Meetings and seminars | Measures for developing towards a circular economy |
| | Response to consultation rounds | Reduced climate and environmental impact |
| | Participation in reference and consultation groups | |
| OWNER AND BOARD OF DIRECTORS | Board meetings and reports prior to meetings | Long-term profitability |
| | Ongoing meetings and reports | Create more satisfied customers |
| | Strategy meetings | Maintain good contact with the world around us |
| | Shareholders' meeting | Nurture growing trust |
| | | Create more and better business |

# MATERIALITY ANALYSIS

## PROCESS FOR IDENTIFICATION AND HANDLING OF MATERIAL ISSUES

The materiality analysis forms the basis for identifying the sustainability issues that are most important for Stena Metall. It enables systematic prioritization of sustainability issues, which is crucial for effective sustainability work. The analysis is based on the economic, social and environmental impacts of the Group's operation, and on stakeholder priorities.




Upcoming regulations around the materiality analysis will introduce the concept of double materiality, meaning consideration of how sustainability issues are impacted by the company, but also how the company itself is affected. In preparation of this change, the view of the current materiality analysis has been inspired by the concept of double materiality. It has also been considered in the existing risk assessment on pages 62-63.

### PROCESS FOR IDENTIFICATION AND HANDLING OF MATERIAL ISSUES

The varying operations in the Group have different impacts, challenges, opportunities and risks. The materiality analyses at Stena Metall are therefore first conducted at company level and then evaluated together to form a consolidated analysis at Group level. The results provide the Group with a strategic direction and focus for continued sustainability work.

The last full update of the materiality analysis was conducted in the fall of 2020. The process was based on workshops at company level where representatives from different functions were involved to provide a comprehensive overview of the companies' operations and impacts. Examples of participants were environmental and sustainability managers, safety and working environment managers, sales personnel, finance managers and management representatives. The results of the workshop were evaluated together with a company-specific stakeholder analysis, after which the companies' results were consolidated into the Group-wide materiality analysis. The changes compared with the previous analysis consisted of minor adjustments to the degree of materiality, and in clearer definitions and limitations for the issues that were found to be material. The next update of the materiality analysis will take place during the financial year 2022/2023 according to new guidelines issued by GRI.

## MATERIAL TOPICS

The table below shows the sustainability topics identified in the materiality analysis. The topics that were found to have a high or medium degree of materiality are those that are prioritized within the Group-wide sustainability work. These are also the ones which are presented in the sustainability report. The topics that were found to have a lower degree of materiality are those that have been considered in the analysis, but that were not found to be prioritized from a sustainability perspective, given the level of impact for the Group's operations and the stakeholders' priorities. However, several of the topics with lower materiality are still important to the ongoing work and are handled by relevant functions in the Group. Since the company-specific materiality analyses are consolidated at a Group level, topics that are central to a specific company may sometimes not appear as high priority at Group level.

| MATERIALITY | VALUE CREATION | RESOURCE EFFICIENCY | PEOPLE AND CULTURE | RESPONSIBLE RELATIONSHIPS |
|---|---|---|---|---|
| Higher (prioritized, managed and reported) | • Product and service quality<br>• Economic performance<br>• Enabling the circular economy | • Climate footprint<br>• Recycling efficiency and waste management | • Occupational health and safety | • Compliance with laws and regulations |
| Medium (managed and reported) | | • Energy consumption<br>• Emissions to water or soil<br>• Water consumption | • Attract and engage employees<br>• Learning and development<br>• Diversity and inclusion | • Business ethics and Code of Conduct<br>• Anti-corruption<br>• Value chain responsibility |
| Lower (managed and monitored) | | • Other emissions to air<br>• Material consumption<br>• Biodiversity<br>• Chemicals | • Freedom of association<br>• Labor/management relations | • Community engagement<br>• Information security<br>• Tax management |

FOCUS AREA

# MANAGING SUSTAINABILITY RISKS

Systematic risk management is vital for long-term sustainable business management. Stena Metall works continuously and systematically to identify and manage sustainability-related risks within the Group. Risk analyses of sustainability-related issues are conducted within several different functions and take place both at Group level and at company level. At Group level, sustainability risks are integrated in the annual enterprise risk assessment which covers both business related and sustainability related risk. At company level, risks related to environmental and social matters are assessed on a more detailed level within the framework of the management systems in use, such as ISO 14001 and ISO 45001.

Stena Metall's sustainability risks as presented in this report are a consolidation of the overall risks identified through a Group-wide risk assessment process. There has been no identified change to the risk profile for the 2021/2022 financial year. However, with inspiration from and in preparation of upcoming regulations around the concept of "double materiality", the risk description has been divided into financial risk and impact risk. Financial risk refers to the risk of a negative effect on the company's value, performance, financial result or reputation. Impact risk refers to the risk that the company has a negative impact on people, society or the environment. A thorough review of the risk analysis has been initiated in the fall of 2022 as a part of the updated materiality analysis process.

| | Impact Risk | Financial Risk | Risk Management |
|---|---|---|---|
| **ENVIRONMENT** | | | |
| Emissions to land, air and water when managing waste, materials and products. | At the companies' facilities and operations, industrial processes of various types are conducted that could cause emissions to land, air and water if they were not managed correctly, for example via waste-water or surface water. There is also a potential risk of spillage or emissions due to an accident in connection with internal and external transport operations at sea and on land. | Causing pollution can lead to significant consequences for the Group in terms of reputation and brand value, customer trust, monetary sanctions and loss of permits. | All companies in the Group apply the precautionary principle and comply with current licencing and environmental legislation for their respective operations. The majority are also certified in accordance with ISO 14001. Risk surveys are conducted regularly and lead to preventive measures such as technical investments, embankments, hardstandings, training and fire prevention measures. Internal audits are conducted to ensure compliance with procedures. Systematic follow-up work is also conducted via the Stena Way of Production/ Stena Way of Branches. Supplier assessments are conducted for external carriers. |
| Licence violations | Several of Stena Metall's operations are subject to licencing, and compliance with licences is therefore a prerequisite for the operational activities. Violating a licence requirement has implications beyond the pollution it may cause as it can potentially cause harm to the surrounding community and to employees. | Environmental non-compliances can lead to costly legal processes, significant fines, loss of permit, damage to the company's brand and reputation, and negative effect on customer relations. The same applies to cases where the violator is a business partner to a Stena company. | The Group maintains a close dialogue with authorities and continuously develops processes for storage planning, proprietary inspections and training in operations requiring licences. According to the Business Partner Code of Conduct, all business partners are required to have the appropriate licences for their operations. |
| Consumption of fossil fuels with climate impact | Stena Metall's operations have an environmental impact as a result of the energy consumption that takes place in areas such as production, material handling and transport. The energy comes partly from fossil fuels, which means emissions of greenhouse gases and the risk of contributing to a negative climate impact. | Companies are increasingly expected to set climate targets and minimize their emissions and there is a risk if stakeholders do not perceive that Stena Metall is living up to their expectations or requirements related to climate impact. There is a risk of losing customers, difficulties to attract and keep employees, and reputational damage. | The companies work independently on environmental objectives and energy efficiency improvements. During 2022, the Stena Recycling companies in all markets committed to the Science Based Targets initiative to set ambitious climate goals in line with the Paris Agreement. Energy surveys are conducted continuously, as are other energy efficiency measures, such as logistics optimization, projects for energy savings, investments in more energy-efficient machinery and facilities, as well as transition to renewable fuels or electrical operation from fossil-free sources. |

Sofia Böhmfeld, HR Specialist, Sebastian Johansson, Digital Product Portfolio Manager, Karin Andersén, People Experience Lead, Linnea Sundqvist, Project Manager and Kristoffer Gutling, Learning & Development Business Partner, at Stena Recycling Sweden.

| | Impact Risk | Financial Risk | Risk Management |
|---|---|---|---|
| **SOCIAL CONDITIONS AND EMPLOYEES** | | | |
| Risks in occupational health and safety | Many of Stena Metall's employees work in a production environment where machinery and vehicles can pose safety risks. There may also be health and safety risks for employees in an office environment, primarily in the form of psychosocial aspects. | Aside from the main priority of ensuring that no individual gets hurt in the workplace, an unmitigated risk of accidents would be negative for any company. It causes an unattractive work environment that makes it harder to attract and retain employees and can also impact brand and reputation. | The Group has an ambitious, systematic program within management of safety and working environment, with the general aim of zero accidents. The health and safety program is based on continuous risk assessments and preventive measures. All companies have set targets that are followed up quarterly. Training courses and employee surveys are conducted regularly to follow up on the working environment and employee commitment. Most of the companies are certified in accordance with ISO 45001. |
| **HUMAN RIGHTS** | | | |
| Violations of human rights in the value chain | Stena Metall's value chains extend globally and include trading in raw materials across a large number of markets with different characteristics. Both upstream and downstream there may be a risk of non-compliance and substandard working conditions. | There are increasing expectations on companies to manage their value chains from a sustainability perspective. Working with companies who are found to be violating human rights is a risk that could cause significant reputational damage even if the company had no knowledge of the situation. It could also lead to loss of customer contracts, as well as making it harder to recruit and retain employees. | The Group's position on human rights is expressed in the Code of Conduct, the Code of Conduct for business partners and the human rights policy. The companies have been working on supplier assessments for many years and the process is being reviewed and further developed in 2021/2022. Continued development work is also underway in the process of implementing the Code of Conduct in the downstream value chain. |
| **ANTI-CORRUPTION** | | | |
| Violations in the form of corruption and lack of business ethics | All operations face a potential risk that employees may be privy to situations that constitute corruption and that are not compatible with the Group's Code of Conduct and values. | Instances of corruption within the Group would not only be damaging to Stena Metall's reputation with stakeholders and partners, but could also imply expensive legal and remediation processes. | Corruption is regulated partly by the countries' different legislation, and by Stena Metall conducting its own preventive work. The Group's position on anti-corruption is clearly expressed in the anti-corruption policy and Code of Conduct and is implemented with the help of an e-learning course linked to each policy. Other proactive measures include training, risk analyses and an ongoing dialogue. The work of systematically following up and preventing opportunities for corruption is being further developed. |

# GOVERNANCE AND FOLLOW-UP

The following pages describe the governance and follow-up of the material issues identified, and the related quantitative and qualitative key figures are reported. Where the applicable GRI standards are in place covering the material issues, these have been applied. In this case, the GRI reference is stated for each metric. In cases where there is no GRI standard for a material issue, our own metrics have been formulated. The definitions for these are available at stenametall.com.

## VALUE CREATION

### PRODUCT AND SERVICE QUALITY

*Management approach*
Ensuring that the services and products offered by the Group are of the right quality is of great importance to achieve high customer satisfaction. The level of customer satisfaction is followed up continuously, both in the daily dialogue and in the annual customer surveys conducted by several of the companies. The surveys are designed to provide a comprehensive insight into the customers' experience in terms of quality and services, and are followed up at management level. Issues and suggestions for improvement that are received are handled and investigated systematically in the Group-wide quality management system to constantly develop and improve customer experience and quality.

**Customer Satisfaction Index**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Customer Satisfaction Index | 84% | 81% | 80% |

Refers to responses from customer surveys regarding the degree of satisfaction as a whole. The KPI refers to the percentage of customers who give a rating of 4 or 5 on a five-point scale. Reported by Stena Recycling Sweden, Norway, Denmark, Finland, Poland, Italy, Stena Metal International and Stena Stål.

**Net Promoter Score**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Net Promoter Score | 30 | 22 | — |

Refers to responses from customer surveys to the question of whether to recommend Stena as a company (10-point scale). The percentage (%) that indicates 9–10, minus the percentage (%) that gives 0–6 gives the Net Promoter Score. Reported by Stena Recycling Sweden, Norway, Denmark, Finland, Poland, Stena Metal International and Stena Stål.
The metric was reported for the first time in 2020/2021.

### ENABLING THE CIRCULAR ECONOMY

*Management approach*
A large part of the Group's operations concern the circular economy and the opportunities to preserve used material resources as much as possible. Circularity relies on partnerships and shared knowledge about the product's properties and use throughout the entire life cycle. The work is therefore often conducted through long-term circular collaborations with several involved parties that contribute expertise about each part of the value chain. Follow-up is conducted using factors such as the waste's recycling rate and distribution in the waste hierarchy. See also the reporting for Waste.

**Enabling the circular economy**

Several of the Stena Metall Group's subsidiaries conduct operations with a positive contribution to circularity. Stena Recycling provides the most significant impact as the largest company and with the biggest impact in its customers' value chain. Stena Recycling provides circular solutions and waste management services for over 100,000 customers. Materials and products recycled include ferrous and non-ferrous metals, electronics, plastic, paper and mixed waste. The recycled raw materials are sold to steel mills, paper mills and other customers for use in the manufacture of new products. Stena Recycling also has a consulting business that supports companies in their development of sustainable circular solutions that provide both environmental and business value. In addition, Stena Recycling has launched the collaboration arena Circular Initiative to promote circular collaborations with large industrial companies in Sweden. A circular approach is also prevalent in many of the Group's other companies: Stena Aluminium's alloys are based on 100 percent recycled aluminium, BatteryLoop manufactures energy storage solutions based on reused batteries from electric vehicles, and HaloSep treats fly ash, turning it from hazardous waste into non-hazardous fractions which include salt and metals.

## ECONOMIC PERFORMANCE

*Management approach GRI 103*
The financial performance is a prerequisite for the Group's long-term success. Financial reporting takes place at a Group level and covers all subsidiaries. Responsibility for financial performance rests with the individual profit centers in the Group and its companies.

**Direct economic value generated and distributed**
**GRI 201-1**

The created and distributed economic value is reported in accordance with the table below. This shows how revenue has been generated in the Group and how economic value creation has been distributed. How the companies' revenues are generated is also described on page 48.

Economic value generated (MSEK)

| | 2021/2022 | 2020/2021 |
|---|---|---|
| Total sales | 43,509 | 28,191 |
| Income from financial activities and other income | 608 | 3,303 |
| **Created economic value**[1] | 44,117 | 31,494 |
| | | |
| Operating expenses[2] | –36,722 | –25,293 |
| Salaries and benefits for employees[3] | –2,872 | –2,542 |
| Payments to financiers[4] | 615 | –248 |
| Payments to authorities (income tax)[5] | –267 | –211 |
| **Economic value delivered** | **–40,476** | **–28,294** |
| | | |
| **Economic value reinvested** | **3,641** | **3,200** |

[1] **Generated economic value:** Net sales, income from financial investments, interest income and profit from the sale of assets and operations
[2] **Operating expenses:** Total operating expenses, other operating income and expenses and net financial items
[3] **Employee wages and benefits:** Costs related to salaries and social security contributions
[4] **Payments to financiers:** Proposed dividend to owners and interest expenses
[5] **Payments to authorities:** Tax for the year as specified in the income statement

## RESOURCE EFFICIENCY

### ENERGY CONSUMPTION

*Management approach GRI 103*
Stena Metall Group's operations consume energy mainly from diesel, LPG and purchased electricity. The Group strives to reduce its energy consumption, partly through continuous improvements, and also through a transition to using more energy-efficient equipment. Energy consumption is reported at Group level for Scopes 1 and 2, which includes consumption of fuel for internal operations and from purchased electricity and district heating. Energy consumption is also followed up and managed locally in the companies.

For the Stena Recycling companies, the commitment to set science-based targets will indirectly include management and follow-up of energy consumption, since energy efficiency and reduced consumption are important measures to reduce the climate footprint.

**Energy consumption within the organization GRI 302-1**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| **Fuel** | | | |
| Non-renewable | 128,000 | 119,700 | 109,700 |
| Renewable[1] | 76,000 | 66,700 | 69,100 |
| **Total** | **204,000** | **186,400** | **178,800** |
| **Electricity** | | | |
| Origin-labeled hydro power, wind power and bio power | 99,400 | 102,100 | 83,500 |
| Residual mix | 44,500 | 45,900 | 56,900 |
| **Total** | **143,900** | **148,000** | **140,400** |
| **District heating** | | | |
| District heating | 12,800 | 17,400 | 18,700 |
| **Total** | **12,800** | **17,400** | **18,700** |
| **Total energy consumption** | **360,700** | **351,800** | **337,900** |

[1] Emissions reduction-liable Diesel 21%, Petrol 4.2%, HVO100, RME, Wood pellets
Reference to GHG protocol, p. 46.

Energy consumption from Marine Gas Oil has been retroactively discounted after determining this belongs in Scope 3. In the 20/21 report, energy consumption from Marine Gas Oil was 33,994 MWh which constituted 9% of the total.

### CLIMATE FOOTPRINT

*Management approach GRI 103*
Reducing climate impact is a global challenge. The main emission sources for the Stena Metall Group are combustion of diesel and LPG, as well as purchased electricity. Efforts to reduce the climate footprint include measures to improve energy efficiency and reduce consumption, as well as replacing fossil fuels with renewables or electricity, and increasing the percentage of origin-labeled electricity. Emissions are reported at a Group level for Scopes 1 and 2, which means emissions from in-house fuel consumption and other internal emission sources, and from purchased electricity and district heating. Mapping of Scope 3 emissions has been initiated in all companies and will continue to be developed. The Stena Recycling companies have also committed to set science-based targets in accordance with the Science Based Targets initiative.

**Direct (scope 1) GHG emissions, GRI 305-1**
**Energy indirect (scope 2) GHG emissions, 305-2**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| **Direct emissions (Scope 1)[2]** | 45,000 | 40,800 | 41,000 |
| **Indirect emissions (Scope 2)[3]** | 14,500 | 20,400 | 23,900 |
| **Total $CO_2$** | **59,500** | **61,200** | **64,900** |

[2] Fuels: LPG, natural gas, diesel, heating oil, petrol, vehicle gas. Scope 1 emissions for HVO100 fuel have been retroactively added to 2020/2021 as they were first calculated for 2021/2022
Emissions for Marine Gas Oil have been discounted retroactively after determining these belong in Scope 3. In the 20/21 report, emissions from Marine Gas Oil was 9,188 tonnes which constituted 18% of total Scope 1 emissions.
[3] Electricity and district heating
Emission factors originate mainly from DEFRA, Drivkraft Sverige, and Energimyndigheten Drivmedel 2020. Some emissions factors from Hagainitiativet are used. This was the main source of emission factors in the 20/21 report.

**Avoided $CO_2$ emissions compared with virgin raw material (tonnes)[4]**

| | 2021/2022 | 2020/2021[5] | 2019/2020 |
|---|---|---|---|
| **Total $CO_2$** | **9,231,282** | **8,808,192** | **3,713,834** |

[4] Calculations for avoided $CO_2$ emissions are based on the differences in energy consumption to produce recycled raw materials compared with whether the equivalent materials would be extracted as virgin raw materials. The factors for differences in emissions between virgin and recycled raw materials are determined for each material type through the available industry information and internal calculations. Stena Aluminium is also part of the value chain that processes recycled material into new raw materials and therefore contributes to the avoided emissions. However, since it is not possible to separately report the avoided emissions between stages of the same value chain, there is no direct reporting of avoided emissions from Stena Aluminium. This is to avoid double reporting, since its avoided emissions are shared with those of Stena Recycling.
[5] The figure for 2020/2021 has been amended from 7,839,607 since miscalculations were discovered retroactively in the data for Stena Recycling Denmark and Stena Recycling Italy.

## RECYCLING EFFICIENCY AND WASTE MANAGEMENT

*Management approach GRI 103*

Waste management is one of the Group's core operations, and governance related to waste management is integrated into ongoing processes for the recycling operations. Follow-up is conducted using factors such as the waste's recycling rate and distribution in the waste hierarchy. Recycling rates for end-of-life vehicles and for recycling electronics are set in line with the applicable EU directives, where Stena Recycling ensures minimum recycling rates of 95 percent for vehicles and 80 percent for electronics. Research and innovation continuously contribute to improving recycling processes and move material up the waste hierarchy. This preserves as much material value as possible.

**Waste generation and significant waste-related impacts, GRI 306-1**
**Management of significant waste-related impacts, 306-2**

The Stena Metall Group manages waste in two different respects, but mainly in the recycling operations, where customers' waste is processed for recycling. Internal waste also arises within the Group's operations and processes. In the recycling operations, the internal waste flows are managed together with customers' waste. By striving for greater efficiency in our processes, the recycling rate of waste for both our customers and internally increases. Internal waste within the Group consists mainly of various residual products in manufacturing, such as complex residual flows from the fragmentation process or slag from aluminium smelting.

Circularity forms the basis of Stena Metall's recycling operations. This entails striving to make the best use of recycled resources as presented in the waste hierarchy to preserve as much material value as possible. In cases where waste originating within the Group is managed by a third party, the waste must be managed in accordance with the applicable laws and regulations. Waste-related data is managed in the business system for the recycling operations and through information from suppliers for other companies in the Group.

**Waste generated**
**GRI 306-3**

| Summary per fraction | Generated waste | Waste for recycling | Waste for disposal |
|---|---|---|---|
| Ferrous | 2,699,772 | 2,491,947 | 207,825 |
| Non-ferrous metals | 208,218 | 205,397 | 2,821 |
| Electronics | 105,818 | 92,389 | 13,429 |
| Paper | 1,130,510 | 1,126,697 | 3,813 |
| Plastic | 143,766 | 124,494 | 19,272 |
| Hazardous waste | 296,919 | 116,587 | 180,332 |
| Other waste | 1,341,913 | 450,430 | 891,483 |
| **Total 21/22** | **5,926,916** | **4,607,941** | **1,318,975** |
| **Total 20/21** | **5,523,366** | **4,277,621** | **1,245,745** |

**Waste diverted from disposal (tonnes)**
**GRI 306-4**

| | Onsite | Offsite | Total |
|---|---|---|---|
| **Non-hazardous waste** | | | |
| Reuse | 68,621 | 18,260 | 86,881 |
| Material recycling | 3,190,248 | 1,136,435 | 4,326,683 |
| Bio-treatment | 8,555 | 79,792 | 88,347 |
| Other recycling | 0 | 0 | 0 |
| **Total 21/22** | **3,267,424** | **1,234,487** | **4,501,911** |
| **Total 20/21** | **2,986,256** | **1,165,380** | **4,151,636** |
| **Hazardous waste** | | | |
| Reuse | 260 | 1,406 | 1,666 |
| Material recycling | 44,706 | 54,738 | 99,444 |
| Bio-treatment | 0 | 1,096 | 1,096 |
| Other recycling | 0 | 1,010 | 1,010 |
| **Total 21/22** | **44,966** | **58,250** | **103,216** |
| **Total 20/21** | **49,786** | **75,879** | **125,665** |

**Waste directed to disposal (tonnes)**
**GRI 306-5**

| | Onsite | Offsite | Total |
|---|---|---|---|
| **Non-hazardous waste** | | | |
| Incineration with energy recovery | 0 | 880,324 | 880,324 |
| Incineration | 0 | 846 | 846 |
| Landfill | 33,356 | 217,553 | 250,909 |
| Other disposal | 0 | 8,058 | 8,058 |
| **Total 21/22** | **33,356** | **1,106,781** | **1,140,137** |
| **Total 20/21** | **49,299** | **1,043,338** | **1,092,638** |
| **Hazardous waste** | | | |
| Incineration with energy recovery | 0 | 126,746 | 126,746 |
| Incineration | 0 | 10,269 | 10,269 |
| Landfill | 0 | 20,232 | 20,232 |
| Other disposal | 0 | 20,919 | 20,919 |
| **Total 21/22** | **0** | **178,166** | **178,166** |
| **Total 20/21** | **0** | **162,725** | **162,725** |

The metric was reported for the first time in 2020/2021 using the new GRI standard Waste 2020. There is a comparison with the previous year for reuse and material recycling, see page 50.

| Recycling rate | 2021/2022 | 2020/2021 |
|---|---|---|
| Recycled material, total volume (tonnes) [1] | 4,605,127 | 4,275,021 |
| Recycling rate [2] | 77.7% | 77.3% |

[1] Recycled material is defined as the waste that has been sent for reuse, material recycling or biotreatment.
[2] The recycling rate is defined as the percentage of recycled material (as defined in Note 1 above) through total processed material (the sum of GRI 306-4 plus 306-5).

## RESOURCE EFFICIENCY

### WATER CONSUMPTION

*Management approach GRI 103*
Stena Metall Group consumes water, treats wastewater and handles rain and stormwater. Water is consumed in some of the operations' processes, such as cooling, dust control, washing of filters and other equipment, and in the separation of waste fractions in a water bath. Water consumption is generally managed within the framework of ISO 14001 and is monitored on an ongoing basis within the framework of the management system.

**Interactions with water as a shared resource, GRI 303-1**
**Management of water discharge-related impacts, 303-2**
Stena Metall's water consumption comes primarily from the municipal systems and to some extent from groundwater. Any water supply taken from the sea is also reported. Discharge of water normally takes place through re-watering to municipal systems, but in the recycling operations this can also refer to wastewater from customers which, after having undergone a thorough purification process, is discharged into the surface water or sea water. Water-related issues are primarily managed within the processes for compliance with environmental legislation and ISO 14001, including environmental aspect assessment and environmental risk analysis. Minimum quality standards for discharge of water comply with the applicable legislation and applicable licencing conditions.

**Water withdrawal (m³)**
**GRI 303-3**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| Water consumption at production facilities | | | |
| From municipal water supply system | 167,252 | 134,826 | 126,817 |
| From groundwater | 9,766 | 6,058 | 37,123 |
| **Total water** | **177,018** | **140,884** | **163,940** |

Water consumption refers to production facilities.

**Water discharge (m³)**
**GRI 303-4**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| Discharge of purified water from customer or internal operations | | | |
| To municipal water supply system | 77,146 | 147,734 | — |
| To surface water | 72,335 | 75,532 | — |
| To sea water | 335,483 | 299,469 | — |
| **Total water** | **484,964** | **522,735** | **—** |

This metric was reported for the first time in 2020/2021 using the new GRI standard Water and Effluents 2018. Comparison data is therefore not available for 2019/2020.

### EMISSIONS TO WATER OR SOIL

*Management approach*
Within the Group, materials and waste, including hazardous waste, if managed incorrectly could give rise to emissions to soil and water. There is a risk of impacts both within the company's internal operations and the facilities, but can also arise if a spill or other accident should occur during transport. Environmental risk analyses and applicable legislation determine what preventive measures are taken to avoid any negative impacts to the water and soil. Environmental management is generally conducted within the framework of ISO 14001 and is followed up on an ongoing basis within the framework of the management system.

**Prevention and reduction of discharges to water or soil**

Stena Metall's facilities manage various types of materials that could lead to contaminants being emitted into soil and water where there is run-off of rainwater and other surface water, resulting in a negative environmental impact. There are a number of measures to prevent this, including cleaning of rainwater, stormwater filters, procedures for storage and cleaning, and hardening of surfaces. The type of measures taken at each facility are based on an environmental risk analysis and are designed in line with applicable legislation and licencing requirements.

**Compliance with emissions to soil and water**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| Number of confirmed violation cases | 1 | 0 | — |

Refers to violations of environmental legislation that relate to emissions to soil or water. Surface contamination of soil and water has been identified at the Stena Recycling facility in Grenaa, Denmark. The cause of the contamination is water used to put out a fire and which ended up in the ocean. Cleanup is underway.

For an overall compilation of compliance with environmental legislation, see GRI 307-1.

The metric was reported for the first time in 2020/2021.


SWEDEN

Linus Persson, Warehouse Worker
at Stena Stål in Helsingborg.

## EMPLOYEES AND CULTURE

### HEALTH AND SAFETY

*Management approach GRI 103*
Occupational health and safety is a highly prioritized area for the Stena Metall Group. Many of the Group's employees work in a production environment where heavy machinery and moving vehicles can pose physical safety risks. Organizational and social working environment issues are also an important part of working environment management for all employees. All companies have objectives related to safety management, which are followed up at the quarterly Board meetings.

**Occupation health and safety management system, GRI 403-1; Worker participation, consultation and communication on occupational health and safety, 403-4**
The overall objective for Stena Metall Group's work in the area of health and safety is to create a safe working environment for the Group's employees and other people who visit the facilities. The work is conducted as a minimum in line with current legislation in the countries in which the Group operates. Occupational health and safety issues are primarily driven by the Group's Safety Management System, which consists of a set of common directives that are established at all subsidiaries. Stena Metall's Health, Safety and Work Environment policy forms the basis of the system and is implemented through a number of activities to identify, prevent and mitigate risks in an effort to continuously improve the working environment. Most of the Group's subsidiaries are also certified in accordance with ISO 45001. Stena Metall's Safety Management System applies across the entire Group, and covers all employees in all work-related situations, including when traveling and during external visits, as well as all persons in environments controlled by Stena Metall.

All companies work actively to promote cooperation between company representatives and employee representatives in the development of workplace safety. Participation and involvement for the companies is a key issue in the occupational health and safety work. Safety is established as the first item on the agenda for most recurring meetings in the Group's companies, including departmental meetings, with the aim of promoting and encouraging employee engagement.

**Worker training on occupational health and safety GRI 403-5**
All new employees at Stena Metall must undergo a mandatory e-learning to be trained in the basic safety principles and procedures within the Group. Other safety training is provided depending on the type of work the employee is to perform, for example procedures linked to a specific location, machine or process. This applies regardless of whether it is an employee at Stena Metall or a hired consultant.

**Occupational health services, GRI 403-3; Promotion of worker health, 403-6**
Stena Metall has several types of activities aimed at promoting employee health. These may differ from company to company, but include benefits such as the possibility of health insurance through the employer, wellness allowances and contributions from the company to participate in exercise programs and similar. Stena Metall Group also has an alcohol, drug and gambling policy designed to prevent such issues, and which clarifies the Group's obligations concerning investigations and rehabilitation.

**Preventing health and safety impacts from products and services GRI 403-7**
Stena Metall's customers are companies, often industrial companies, with good knowledge of the safe conduct in relation to the products and services provided by the Group. Stena Metall's internal safety procedures and requirements, for example regarding loading and unloading at the customer's premises, contribute to reducing safety risks in the value chain. Another important factor for safety in the value chain is the procedures for quality control, as impurities in recycled raw materials, for example, can constitute a safety risk. All customer complaints are followed up in the Group's management system and there are special procedures in place for incidents where there have been an aspect of risk to health and safety. Stena Metall Group's Code of Conduct for business partners expresses an expectation for all business partners to promote a safe working environment by preventing accidents and striving for continuous improvements in the working environment.

**Hazard identification, risk assessment and incident investigation, GRI 403-2**
Risk analyses are conducted at multiple levels in the Group, including both company-wide, comprehensive risk assessments and more specific, limited ones for certain equipment, locations or activities. The safety manager in each company is responsible to ensure that risk assessments are conducted in accordance with the Group's directives. This includes procedures, methods and training for everyone involved in the process. The risk assessments form the basis of prioritization for preventive measures in the working environment. In addition to the more extensive risk analyses, employees are also encouraged to conduct their own risk check before starting work. This is called "Take 5" or "STARK", i.e. Stop, Think, Act, Report and Communicate any hazards and risks. All employees are also encouraged to regularly conduct so-called "Safety Walks", a simple inspection round of a specific area which includes a dialogue with those working in the area and reporting any identified risk elements.

All accidents, incidents and deviations must be reported in the Group's management system. Employees or consultants who do not have access to the management system must report via their work supervisor. The reported cases undergo a clearly structured investigation and action process, which also includes follow-up of the implemented measures and an evaluation of their effect. Employees are expected and encouraged to get involved by contributing to a safe and secure working environment and to assume responsibility for their own safety, which includes moving away from any situation deemed to pose an imminent danger or health risk. There must be no reprisals taken against employees who highlight a health and safety risk, and in the unlikely event of this, there are procedures in place for escalating cases in which the Group's anonymous whistleblower system is the highest instance.

**Workers covered by an occupational health and safety management system**
**GRI 403-8**

Most of the Group's companies are certified in accordance with ISO 45001. All certified companies undergo an internal audit of their management system and are third-party audited by an external auditor. Around 95 percent of employees are subject to ISO 45001 or another third-party audited working environment standard, while the majority of those who are not subject are employees at the head office in Sweden whose working environment involves a lower level of physical risk and where the working environment legislation forms the basis for promoting safety and health in the working environment.

**Work-related injuries**
**GRI 403-9**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| Accident frequency LTIF (Number of personal injuries resulting in sickness absence per million hours worked) | 6.8 | 5.2 [1] | 4.7 |
| Lost Time Injuries (LTI)[2] | 51 | 37 | 31 |
| | | | |
| Distributed by: | | | |
| Slip, trip, fall (no height difference) | 10 | 14 | 7 |
| Hit by/walked into | 7 | 6 | 6 |
| Cut, puncture, scrape | 7 | 4 | 1 |
| Caught or pinched between objects | 9 | 4 | 6 |
| Overload, pulled muscle | 5 | 3 | 2 |
| Fall from height | 3 | 2 | 4 |
| Struck by falling object | 5 | 2 | — |
| Explosion or burn injury | 1 | 1 | — |
| Chemical exposure | — | 1 | — |
| Collision, vehicle involved | 3 | — | 3 |
| Light exposure (welding) | — | — | 1 |
| Shock | — | — | 1 |
| Assault or violent act[3] | 1 | | |
| | | | |
| Of which serious accidents[4] | — | — | — |
| Of which deaths | — | — | — |
| | | | |
| Total number of work-related recordable injuries (TRI)[5] | 103 | 115 | — |

[1] This figure has been retroactively amended from 5.5. At the time the 20/21 report was released, the total number of working hours had not yet been registered; as the total went up, the calculated LTIF decreased. The number of LTI accidents remains at 37 for the fiscal year 20/21.

[2] Refers only to in-house employees, non-contracted staff. LTI = Lost Time Injury. For analysis related to the increase, see the paragraph "Systematic Health and Safety measures" on p. 59.

[3] In this incident a Stena truck-driver in Poland was accused by a third party of forcing a cyclist off the road. The driver was then attacked by the third party. The truck was equipped with a camera which showed that the Stena driver had no part in the accident. Threats to our employees' personal integrity are taken very seriously. Cameras are used in our vehicles when possible, and no cash is handled at our facilities.

[4] Refers to accidents in which the victim has not recovered or is not expected to recover within six months of the accident. Reported for the first time in 2020/2021.

[5] TRI = Total Recordable Injury, includes LTI + RWC (Restricted Work Cases) + MTC (Medical Treatment Cases). The metric is reported for the first time in 2020/2021.

**Sickness absence**
**(Absenteeism due to illness in relation to expected hours worked)**

| | 2021/2022 | 2020/2021 | 2019/2020 |
|---|---|---|---|
| White collar employees | 2.1% | 2.0% | 2.0% |
| Blue collar employees | 6.2% | 5.9% | 5.6% |
| All employees | 4.3% | 4.1% | 3.9% |

## EMPLOYEES AND CULTURE

### ATTRACT AND ENGAGE EMPLOYEES

*Management approach*
Stena Metall's ability to identify, develop, attract and retain the right employees, with the right skills and commitment, is crucial for the Group's continued success. Work is conducted on a continuous basis to ensure an attractive offering to employees. This is achieved partly by offering market terms and conditions of employment and benefits, and also by offering good opportunities for ongoing skills development and a stimulating, safe and healthy working environment. In addition to external recruitment, work is also conducted to enable internal mobility and career development. Employee satisfaction is followed up by the Group-wide @Stena survey, which is conducted twice a year. Each manager with responsibility for staff receives the results to be able to follow up in each department. Monitoring employee engagement is also covered by the People strategy developed within the Group.

**Attract and engage employees**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Employee Survey @Stena | | | |
| Organizational and social working environment (index 0–100) | 79 | 79 | 77 |
| Leadership (index 0–100) | 85 | 82 | 80 |
| Engagement (index 0–100) | 85 | 84 | 82 |
| Employee Net Promoter Score (eNPS) | 23 | 13 | 10 |

The Employee Net Promoter Score is measured on a scale from –100 to 100. The most recent available figures are used. Engagement and eNPS were updated in May 2022, the others in November 2021.

### LEARNING AND DEVELOPMENT

*Management approach GRI 103*
The appropriate skills and the opportunity for skills development are important both for maintaining and developing organizational knowledge within the Group, as well as for the individual's wellbeing and commitment. The type of training that is relevant varies greatly depending on the employee's role and function within the organization. The formal governance of learning and training is based at an organizational level on skills surveys where needs are identified and at an individual level on the plans reviewed in connection with employee appraisals, but training in relevant areas is addressed on continuous and ad hoc basis through dialogue between employees and managers. The governance of learning and development is also covered by the People strategy developed within the Group.

**Programs for upgrading employee skills and transition assistance programs, GRI 404-2**

Within the Group, there are a number of joint programs for skills development that are applied extensively. The training courses that affect most employees are often conducted in the form of Group-wide e-learning courses, which are available in all Group languages. E-learning courses are available for areas such as the Code of Conduct, safety training, anti-corruption and the environment. Certain classroom courses are also held for larger programs, such as the "Stena Way of Leadership" course. Employees are also given good opportunities to attend external training courses, provided that the content is relevant and is based on the employee's role and the needs of the organization.

## DIVERSITY AND INCLUSION

*Management approach GRI 103*
Equal treatment and anti-discrimination are important parts of the Stena Metall Group's principles, which are set out in the Code of Conduct. Governance within diversity and inclusion takes place at a company level, but is also covered by the People strategy developed within the Group. Employee perception of diversity and inclusion is included in the Group-wide employee survey @Stena, which is conducted twice a year. The survey is followed up by each manager with staff responsibility.

People and Culture has also been introduced as a constant point on the agenda at Group Board meetings. Among other things, KPIs for diversity and inclusion will be brought to the Board's attention. In addition, a cross-functional focus group for diversity and inclusion will be launched with the aim of promoting learning and engagement within these topics.

**Diversity of governance bodies and employees**
**GRI 405-1**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Distributed by: | | | |
| Women | 24% | 24% | 28% |
| Men | 76% | 76% | 72% |
| Distributed by: | | | |
| Age < 30 years | 0% | 6% | 0% |
| 30 – 50 years | 40% | 46% | 50% |
| >50 years | 60% | 48% | 50% |

Refers to Boards of Directors of Group and sub-Groups, as well as management teams for the Group and sub-Groups, subsidiaries and IT.

| | | | |
|---|---|---|---|
| **Percentage of white collar employees** | **49%** | **48%** | **48%** |
| Distributed by: | | | |
| Women | 44% | 45% | 43% |
| Men | 56% | 55% | 57% |
| Distributed by: | | | |
| Age < 30 years | 11% | 10% | 12% |
| 30 – 50 years | 59% | 58% | 57% |
| >50 years | 30% | 32% | 31% |
| **Percentage of blue-collar employees** | **51%** | **52%** | **52%** |
| Distributed by: | | | |
| Women | 9% | 8% | 8% |
| Men | 91% | 92% | 92% |
| Distributed by: | | | |
| Age < 30 years | 17% | 15% | 16% |
| 30 – 50 years | 49% | 52% | 51% |
| > 50 years | 34% | 33% | 33% |

**Information on employees and other workers**
**GRI 102-8**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Number of employees by region and gender | | | |
| Sweden | 2,478 | 2,317 | 2,173 |
| Denmark | 417 | 381 | 359 |
| Norway | 342 | 281 | 259 |
| Finland | 160 | 140 | 121 |
| Germany | 6 | 100 | 94 |
| Switzerland | 0 [1] | 0 | 0 |
| Italy | 206 | 147 | 152 |
| Poland | 649 | 581 | 537 |
| United States | 2 | 2 | 2 |
| **Total** | 4,260 | 3,949 | 3,697 |
| Distributed by: | | | |
| Women | 26% | 25% | 25% |
| Men | 74% | 75% | 75% |

[1] Hired staff only.
The calculation of the number of employees per region and gender for the sustainability report is based on a head count.

**Employees by employment type**
**GRI 102-8**

| | Total | Women | Men |
|---|---|---|---|
| Permanent employees | 3,955 | 1,003 | 2,952 |
| Temporary employees | 305 | 114 | 191 |
| Full-time employees | 4,121 | 1,060 | 3,061 |
| Part-time employees | 139 | 57 | 82 |

The calculation of the number of employees per type of employment is based on a head count.

**Collective bargaining agreements**
**GRI 102-41**

The percentage of employees covered by collective bargaining agreements is about 79 percent. There are no collective bargaining agreements in Poland and Germany and for some employees in Norway.

In the report for 20/21 the reported figure was 84%. This was an error; the correct figure was 80%.

## RESPONSIBLE RELATIONSHIPS

### BUSINESS ETHICS AND CODE OF CONDUCT

*Management approach*
Healthy and long-term sustainable business operations require responsibility in the areas of ethical, environmental and social matters. For Stena Metall, this means that all operations, in addition to complying with applicable legislation, must also observe the Group's Code of Conduct. The Code of Conduct is part of the introduction program for new employees. In addition to the Code of Conduct, there are also policies that set out the direction for more specific issues, including human rights and anti-corruption. All employees throughout the Group are expected to observe the principles in the Code of Conduct and other policies. In the event of any violations, there is a procedure in place for case management and escalation in which the Group's anonymous whistleblower system constitutes the highest instance.

**Code of Conduct**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Percentage of employees who have signed the Group's Code of Conduct | 75% | 64% | 80% |

Signature confirming that they have read and understood the content of the Group's Code of Conduct. Includes in-house employees and hired staff who replace in-house employees. Figures reported for previous years have been retroactively adjusted due to a correction in the measurement method. The gap identified in 2020/2021 is due to a change in the HR data systems which means that certain information is no longer documented. During 2021/2022, the Code of Conduct underwent an update, after which the processes for implementation and documentation will be reviewed.

| Mechanisms for advice and concerns about ethics, GRI 102-17 | | | |
|---|---|---|---|
| Number of reports to the whistleblower function | 2 | 3 | 2 |

One of the reported cases was an HR issue pertaining to allegations of sexual harassment. The other was a report of deficient traffic safety from a driver of a Stena Recycling truck. Both incidents have been followed up and handled according to established procedure.

### ANTI-CORRUPTION

*Management approach GRI 103*
Stena Metall Group's anti-corruption work is based on the Code of Conduct as well as the Group-wide anti-corruption policy. Based on the policy, systematic work has been developed where the preventive measures are based on a risk analysis. The measures not only include training initiatives, but also preventing risks of corruption by the separation of powers. Individual suspicious cases are followed up within the Group's function for Governance, Risk and Compliance. The total confirmed cases are followed up annually in connection with the sustainability report.

**Confirmed incidents of corruption and actions taken**
**GRI 205-3**

| | 2021/ 2022 | 2019/ 2020 | 2018/ 2019 |
|---|---|---|---|
| Number of confirmed cases | 0 | 0 | 0 |

No cases of corruption have come to light during the year through the whistleblower function or based on other information.

## COMPLIANCE WITH LAWS AND REGULATIONS

*Management approach GRI 103*
The relevance of compliance with laws and regulations is self-evident for all operations, including the Stena Metall Group. Compliance with legislation is an extensive area that is managed in different ways, depending on the type of legislation involved. Where there is a need for more extensive expertise in terms of compliance with legislation, the Group holds various types of training courses, such as training in working environment responsibility for managers with staff and e-learning in information security for all employees.

**Non-compliance with environmental laws and regulations**
**GRI 307-1**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Number of confirmed cases of violations | 2 | 8 | 3 |

One of the environmental violations in 2021/2022 concerns administrative penalties for errors in transport documents. The other case relates to emissions to soil and water. Please see detail under the relevant KPI. All violations are investigated in accordance with the established process in the Group's case management system, which also includes analysis and implementation of measures.

**Non-compliance with laws and regulations in the social and economic area**
**GRI 419-1**

| | 2021/ 2022 | 2020/ 2021 | 2019/ 2020 |
|---|---|---|---|
| Number of confirmed cases of violations | 0 | 2 | 0 |

All violations are investigated in accordance with the established process in the Group's case management system, which also includes analysis and implementation of measures.

## VALUE CHAIN RESPONSIBILITY

*Management approach*
Stena Metall's materiality analysis is conducted from a value chain perspective and addresses the Group's sustainability impact both in internal operation and on the value chain. The value chains vary between the different operations in the Group, but the companies work in a similar way with the assessment of significant suppliers. The companies are also working to implement the Code of Conduct in the value chain, both for suppliers and, when relevant, for customers. In 2021/2022 work has continued with implementing the Group-wide Code of Conduct for business partners, which more clearly states the Group's expectations on external business partners. A common system for supplier assessments has also been launched during 2021/2022 and will be followed up continuously.

### Value chain management

Stena Metall Group consists of several different business areas and the value chains vary depending on the type of operations conducted. In the recycling operations, the upstream chain consists of the customers for whom Stena Recycling provides waste solutions. The waste that is collected is sorted, processed and then distributed to downstream customers, who purchase the processed waste as input material for their particular production processes. Unlike a traditional value chain, there are no suppliers of direct materials, but there are a large number of suppliers of indirect products and services that are used in the operations.

For the companies in trade and industry, the value chain is more traditional with suppliers of direct materials that are purchased by the companies for production, processing, handling and distribution, and then for resale to downstream customers (B2B).

As the downstream products are primarily sold for further processing, it is very difficult to try to estimate the environmental impact from the use of the end products that are eventually manufactured, and Stena Metall's ability to address such emissions is highly limited. The environmental impact in the value chain that the Group has the highest influence over is mainly related to transport, both upstream and downstream. Upstream, recycling operations also have a significant positive environmental impact by collecting and processing non-hazardous and hazardous waste to be returned to the circular economy or taken care of in an environmentally responsible manner. For social issues in the value chain, there is a potential impact on the working conditions and human rights of our customers, suppliers and other partners.

Stena Metall Group works with environmental and social sustainability in the upstream and downstream value chain. The Code of Conduct for business partners was launched last year and has been gradually implemented. For both direct and significant indirect suppliers, supplier assessments are conducted with regard to both environmental and social issues. Downstream, sustainability assessments are conducted for customers in countries that rank higher on a combination of established risk indices within environmental and social issues (The Environmental Performance Index, the Business Social Compliance Initiative and the Corruption Perceptions Index). The Group also strives to continuously improve its positive contributions to a circular value chain by focusing on innovation and development, as well as investments in new facilities and technology to meet the demand for circular solutions.

# GRI INDEX 2021/2022

Stena Metall Group's GRI Index includes page references to the Stena Metall Group's annual report, annual report and sustainability report. All GRI standards are from 2016 unless otherwise stated.

| GRI Standard | Disclosure | Page reference | Comments |
|---|---|---|---|
| **GENERAL STANDARD DISCLOSURES** | | | |
| **GRI 101: Basis** | | | |
| GRI 102: General disclosures | | | |
| **Organizational profile** | | | |
| 102-1 | Name of the organization | 48 | |
| 102-2 | Activities, brands, products and services | 6–7 | |
| 102-3 | Location of headquarters | 84 | |
| 102-4 | Location of operations | 6–7 | |
| 102-5 | Ownership and legal form | 83 | |
| 102-6 | Markets served | 5–7 | |
| 102-7 | Scale of the organization | 2, 6–7 | More financial information that shows the size of the organization can be found in the Stena Metall Group's Annual Report 2021/2022 |
| 102-8 | Information on employees and other workers | 73 | |
| 102-9 | Supply chain | 6–7, 25–26, 33, 39, 41, 75 | |
| 102-10 | Significant changes to the organization and its supply chain | 49 | |
| 102-11 | Precautionary principle or approach | 62 | |
| 102-12 | External initiatives | 46 | |
| 102-13 | Membership of associations | 59 | |
| **Strategy** | | | |
| 102-14 | Statement from senior decision-maker | 8–9 | |
| 102-15 | Key impacts, risks and opportunities | 61–63 | |
| **Ethics and integrity** | | | |
| 102-16 | Values, principles, standards and norms of behavior | 59 | |
| 102-17 | Mechanisms for advice and concerns about ethics | 59, 75 | |
| **Governance** | | | |
| 102-18 | Governance structure | 58 | |
| **Stakeholder relations** | | | |
| 102-40 | List of stakeholder groups | 60 | |
| 102-41 | Collective bargaining agreements | 73 | |
| 102-42 | Identifying and selecting stakeholders | 60 | |
| 102-43 | Approach to stakeholder engagement | 60 | |
| 102-44 | Key topics and concerns raised | 60 | |
| **Reporting procedures** | | | |
| 102-45 | Entities included in the consolidated financial statements | 46 | More information can be found in the Stena Metall Group's Annual Report 2021/2022 |
| 102-46 | Defining report content and topic boundaries | 61 | |
| 102-47 | List of material topics | 61 | |
| 102-48 | Restatements of information | 64–75 | Specified in notes where applicable |
| 102-49 | Changes in reporting | 46, 61 | |
| 102-50 | Reporting period | 46 | |
| 102-51 | Date of most recent report | 46 | |
| 102-52 | Reporting cycle | 46 | |

| GRI Standard | Disclosure | Page reference | Comments |
|---|---|---|---|
| 102-53 | Contact point for questions regarding the report | 79 | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | 46 | |
| 102-55 | GRI content index | 76–79 | |
| 102-56 | External assurance | 80 | |
| **SUBJECT-SPECIFIC DISCLOSURES** | | | |
| **Financial standards** | | | |
| **Economic performance** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 65 | |
| GRI 201: Economic performance 2016 | | | |
| 201-1 | Direct economic value generated and distributed | 65 | More information can be found in the Stena Metall Group's Annual Report 2021/2022 |
| **Product and service quality** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 64 | |
| Company-specific disclosure: Customer Satisfaction Index | | 64 | |
| Company-specific disclosure: Net Promoter Score | | 64 | |
| **Enabling the circular economy** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 64 | |
| Company-specific disclosure: Share of outgoing material turned into products | | 64 | |
| **Anti-corruption** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 74 | |
| GRI 205: Anti-corruption 2016 | | | |
| 205-3 | Confirmed incidents of corruption and actions taken | 74 | |
| **Business ethics and Code of Conduct** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 74 | |
| Company-specific disclosure: Employees who have signed the Group's Code of Conduct | | 74 | |
| **Responsibility in the value chain** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 75 | |
| Company-specific disclosure: Value chain management | | 75 | |
| **GRI 300: Environmental standards** | | | |
| **Energy consumption** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 66 | |
| GRI 302: Energy 2016 | | | |
| 302-1 | Energy consumption within the organization | 66 | |

| GRI Standard | Disclosure | Page reference | Comments |
|---|---|---|---|
| **Water consumption** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 68 | |
| GRI 303: Water and effluents 2018 | | | |
| 303-1 | Interactions with water as a shared resource | 68 | |
| 303-2 | Management of water discharge-related impacts | 68 | |
| 303-3 | Water withdrawal | 68 | Water consumption refers to production facilities. Offices are excluded as reliable data is not available. |
| 303-4 | Water discharge | 68 | |
| **Emissions to water or soil** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 68 | |
| Company-specific disclosure: Prevention and reduction of discharges to water or soil | | 68 | |
| Company-specific disclosure: Compliance with emissions to soil and water | | 68 | |
| **Climate footprint** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 66 | |
| GRI 305: Emissions 2016 | | | |
| 305-1 | Direct (Scope 1) GHG emissions | 66 | |
| 305-2 | Energy indirect (Scope 2) GHG emissions | 66 | |
| **Recycling efficiency and waste management** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 67 | |
| GRI 306: Waste 2020 | | | |
| 306-1 | Waste generation and significant waste-related impacts | 67 | |
| 306-2 | Management of significant waste-related impacts | 67 | |
| 306-3 | Waste generated | 67 | |
| 306-4 | Waste diverted from disposal | 67 | |
| 306-5 | Waste directed to disposal | 67 | |
| Company-specific disclosure: Recycling rate of handled material | | 67 | |
| **Compliance with environmental legislation** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 75 | |
| GRI 307: Environmental compliance 2016 | | | |
| 307-1 | Non-compliance with environmental laws and regulations | 75 | |
| **GRI 400: Social standards** | | | |
| **Occupational health and safety** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 70 | |
| GRI 403: Occupational health and safety 2018 | | | |
| 403-1 | Occupational health and safety management system | 70 | |
| 403-2 | Hazard identification, risk assessment and incident investigation | 70 | |

| GRI Standard | Disclosure | Page reference | Comments |
|---|---|---|---|
| 403-3 | Occupational health services | 70 | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | 70 | |
| 403-5 | Worker training on occupational health and safety | 70 | |
| 403-6 | Promotion of worker health | 70 | |
| 403-7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 70 | |
| 403-8 | Workers covered by an occupational health and safety management system | 71 | |
| 403-9 | Work-related injuries | 71 | Reporting includes in-house employees and hired personnel acting as Stena employees. Accidents are registered and followed up for external persons, but some other information (e.g. hours worked) is unavailable, meaning that these cannot be included in the statistics in a comparable way. |
| Company-specific disclosure: Sick leave | | 71 | |
| **Diversity and inclusion** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 73 | |
| GRI 405: Diversity and equal opportunity 2016 | | | |
| 405-1 | Diversity of governance bodies and employees | 73 | |
| **Learning and development** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 72 | |
| GRI 404: Training and education 2016 | | | |
| 404-2a | Programs for upgrading employee skills and transition assistance programs | 72 | 404-2b is not applicable as redundancies seldom occur as a result of shortage of work. Individual solutions are offered instead. |
| **Attract and engage employees** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 72 | |
| Company-specific disclosure: Attract and engage employees | | 72 | |
| **Compliance with social and economic legislation** | | | |
| GRI 103: Management approach | | | |
| 103-1-3 | Explanation of the material topics and its boundary, The management approach and its components, Evaluation of the management approach | 75 | |
| GRI 419: Socioeconomic compliance 2016 | | | |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | 75 | |

Stena Metall Group reports in line with GRI Standards 2016 Core. The sustainability report has been reviewed by an external auditor.
For own indicators, which are not defined in the GRI-framework, internal definitions and reporting requirements have been defined. These can be obtained by contacting the Group Sustainability Manager, contact information below. More details about emissions calculations is also available upon request.

## CONTACT FOR THE SUSTAINABILITY REPORT

Anna Sundell,
Sustainability Manager, Stena Metall
+46 (0)10-445 19 34

# AUDITOR'S STATEMENT

AUDITOR'S LIMITED ASSURANCE REPORT ON STENA METALL AB'S SUSTAINABILITY REPORT AND STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the annual general meeting of Stena Metall AB, corporate identity number 556138-8371

INTRODUCTION

We have been engaged by the Board and Group Management of Stena Metall AB to undertake a limited assurance of Stena Metall's Sustainability Report for the year 2021/2022. The company has defined the scope of its sustainability report on page 46, which also constitutes the statutory sustainability report.

RESPONSIBILITIES OF THE BOARD AND GROUP MANAGEMENT

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 46 of the Sustainability Report, and consists of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Stena Metall has developed. This responsibility also includes the internal control which is deemed necessary to establish a sustainability report that does not contain material misstatement, whether due to fraud or error.

RESPONSIBILITIES OF THE AUDITOR

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12, the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Stena Metall according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

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

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

CONCLUSION

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Gothenburg, November 24, 2022

PricewaterhouseCoopers AB

**Johan Rippe**
Authorised Public Accountant

**Sanna Efraimsson**
Sustainability Expert
Member of FAR

## BOARD OF DIRECTORS

Anders Jansson
Chairman

Dan Sten Olsson

William Olsson

Marie Eriksson

Joakim Rosengren

Mårten Hulterström

Jan Svensson

Lena Olving

Fabrice Angelini
Employee Representative

## GROUP MANAGEMENT

Kristofer Sundsgård
President & CEO

Jonas Höglund
Chief Financial Officer

Maria Lindqvist
Chief Human Resources Officer

ITALY

Grazia Bottura works as Forklift Driver at Stena Recycling's site in Carpi.

# STENA METALL – PART OF THE STENA SPHERE

| BUSINESS AREA[1] | STENA AB (PUBL) | STENA SESSAN AB | STENA METALL AB |
|---|---|---|---|
| **FERRY LINES**<br>Net sales SEK 12,717 million<br>Share of revenue 15% | Stena Line | | |
| **OFFSHORE DRILLING**<br>Net sales SEK 2,513 million<br>Share of revenue 3% | Stena Drilling | | |
| **SHIPPING**<br>Net sales SEK 11,627 million<br>Share of revenue 14% | Stena Bulk<br>Stena RoRo<br>StenaTeknik, NMG | Concordia Maritime (52%) | |
| **PROPERTIES**<br>Net sales 5,076 million<br>Share of revenue 6% | Stena Fastigheter | Stena Sessan Fastighets AB | |
| **NEW BUSINESS**<br>Net sales SEK 8,206 million<br>Share of revenue 10% | Stena Adactum | Scandic Hotels (20%)<br>Exeger (4%)<br>Budbee (8%)<br>Annotell (11%)<br>VOI (3%)<br>24Health (15%)<br>Funnel (5%)<br>Matilda Foodtech (20%) | |
| **FINANCE/OTHER**<br>Net sales SEK 0 million<br>Share of revenue 0% | Stena Finans | | Stena Metall Finans |
| **RECYCLING, ENVIRONMENT AND TRADE**<br>Net sales SEK 43,509 million<br>Share of revenue 52% | | | Stena Metall |

The Stena Sphere comprises the three parent companies wholly-owned by the Sten A Olsson family; Stena AB (publ), Stena Sessan AB and Stena Metall AB, as well as their wholly or partly-owned subsidiaries. The partly-owned company Concordia Maritime AB (publ) is listed on Nasdaq Stockholm and 52 per cent of it is owned by Stena Sessan AB. A total of 19,300 people are employed in the Stena Sphere. Total net sales were SEK 79,763 million[1]. Net profit/loss before tax came in at SEK 2,823 million.

[1] Figures refer to the period from 1 January to 31 December 2021, except for Stena Metall's figures for the period from 1 September 2021 to 31 August 2022.

Photographers:
Lars Ardarve, Blazej Pszczolkowski,
Patrick Swenman and others
Produced by Stena Metall Group and Solberg

SWEDEN

Head Office
Stena Metall AB
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenametall.com

AB Stena Metall Finans (publ)
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenametall.com

Stena Metal International AB
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenametalinternational.com

Stena Oil AB
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenaoil.com

Stena Recycling AB
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenarecycling.se

Stena Stål AB
Box 4088
SE-400 40 Gothenburg
Phone +46 10 445 00 00
stenastal.se

Visiting address for all of the above:
Fiskhamnsgatan 8B
SE-414 58 Gothenburg

Stena Aluminium AB
Box 44
SE-343 21 Älmhult
Phone +46 10 445 95 00
stenaaluminium.se
Visiting address:
Häradsgatan 1
SE-343 36 Älmhult

DENMARK

Stena Recycling A/S
Banemarksvej 40
DK-2605 Brøndby
Denmark
Phone +45 56 67 95 50
stenarecycling.dk

NORWAY

Stena Recycling AS
Postboks 1723
NO-3998 Porsgrunn
Norway
Phone +47 91 24 79 33
stenarecycling.no
Visiting address:
Dokkveien 8
NO-3920 Porsgrunn

Stena Stål Moss AS
Årvollskogen 79
NO-1529 Moss
Norway
Phone + 47 69 23 54 00
stenastal.no

FINLAND

Stena Recycling Oy
Äyritie 8 C
FI-01510 Vantaa
Finland
Phone +358 10 802 323
stenarecycling.fi

POLAND

Stena Recycling Sp. z o.o.
ul. Grójecka 208
PL-02-390 Warsaw
Poland
Phone +48 698 000 555
stenarecycling.pl

GERMANY

Stena Recycling GmbH
Wittislinger Straße 7
DE-89415 Lauingen
Germany
Phone +49 9072 953 800
stenarecycling.de

ITALY

Stena Recycling S.r.l.
Via Santa Maria in Campo 2
I-20873 Cavenago di Brianza (MB)
Italy
Phone +39 02 95335374
stenarecycling.it

SWITZERLAND

Stena Metall AG
Bahnhofplatz
CH-6300 Zug
Switzerland
Phone +41 417 28 81 21
stenametall.com

USA

Stena Metal Inc.
200 Pequot Avenue, Suite 101
Southport, CT
06890 USA
Phone +1 475 888 9005
stenametalinc.com


STENA

You can read more financial information in the Annual Report.
The PDF is available at stenametall.com
A printed version can be ordered at info@stenametall.se