GREEN BOND FRAMEWORK

STENA METALL GROUP, APRIL 2022

ABOUT THE STENA METALL GROUP

Swedish-based Stena Metall Group has operations at around 200 locations in nine countries. The Group's business areas are focused around providing the industrial sector with new and recycled materials and products, as well as providing solutions related to efficient resource management and circularity. Through research and development, Stena Metall is working to meet the challenges of the future with new, sustainable solutions. The Group's 3 600 employees collaborate closely with partners and customers in creating value, from the business perspective, as well as for the environment and society. The operations within the Stena Metall Group are described below.

RECYCLING, REUSE AND SERVICES IN DESIGN AND RESOURCE MANAGEMENT

STENA RECYCLING

Stena Recycling offers services and comprehensive solutions within recycling and efficient resource management. Every year, almost six million tonnes of materials from more than 100,000 customers in different industries are recycled. The recycled raw materials, including ferrous and non-ferrous metals, plastic and paper, are then resold as feedstock for the manufacture of new products. Operations are conducted in Sweden, Norway, Denmark, Finland, Germany, Poland, Italy and the USA. In addition, materials from several other European countries are also recycled.

INVESTMENTS, LIQUIDITY AND FINANCING

STENA METALL FINANS

Stena Metall Finans serves as the Group's internal bank and handles investments in financial assets and the continuous development of stable and effective management of the Group's cash flow and financial risks. Through effective management and administration of the Group's liquidity, Stena Metall Finans contributes to the Group's results in the long and short term. The business is operated from the offices in Gothenburg, Sweden and Zug, Switzerland.

DEVELOPMENT OF NEW BUSINESS OPPORTUNITIES

STENA NEW VENTURES

Stena New Ventures has the mission of identifying and developing new business opportunities. This might be a business concept for which there is no development scope within any of the operating companies. The business is operated from the Group's head office in Gothenburg, Sweden.

INDUSTRY AND TRADE IN RAW MATERIALS – NEW & RECYCLED

STENA ALUMINIUM

Stena Aluminium is one of the leading producers of premium quality aluminium alloys in northern Europe, based on 100 percent recycled raw aluminium. In addition to aluminium alloys, Stena Aluminium also offers technical support, advisory services and training in metallurgy, engineering design and sustainable business solutions. Customers are primarily foundries in northern Europe and most of the alloys produced are used for components in the automotive and engineering industries. Operations are based in Älmhult (Sweden).

STENA OIL

Stena Oil is Scandinavia's leading supplier of bunker oil and comprehensive marine solutions for vessels in the Skagerrak, Kattegat and North Sea region. With its own terminal structure and access to several long-term chartered bunker vessels, efficient deliveries can be made around the clock. Besides supplying bunker oil, Stena Oil also undertakes collection and purification of discharge water from customers' vessels.

STENA STÅL

Stena Stål is a nationwide steel supplier with warehouses, production facilities and sales offices in 14 locations across Sweden, and one in Norway. The company offers a wide range of beams, reinforcing bars, pipes, sheet metal, merchant bars, stainless and special steel, as well as aluminium. In addition to its wholesale business, customized and pre-treated steel products to meet specific customer requirements are also offered.

HALOSEP

HaloSep introduces cutting-edge technology to manage and process fly ash from waste incineration. HaloSep's patented technology makes it possible to clean the ash and recover resources that would otherwise be lost.

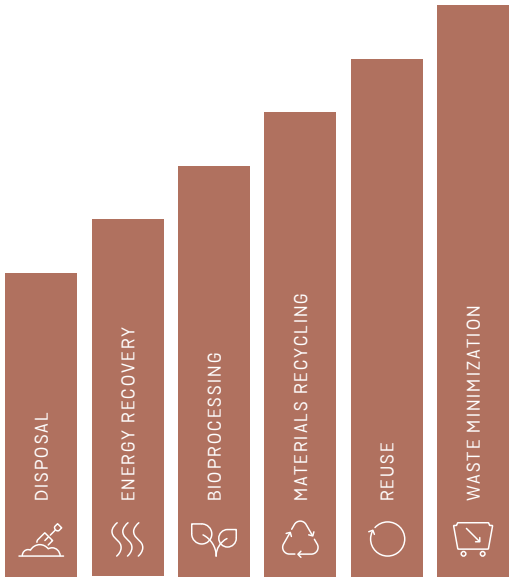
BATTERYLOOP

BatteryLoop develops energy storage systems based on used lithium-ion batteries from hybrid and electric vehicles. The systems can be used to store energy from solar cells, for example. The solution meets the growing demand for mobile energy storage systems, as well as the increasing need to reuse and extend the service life of batteries from the automotive industry.

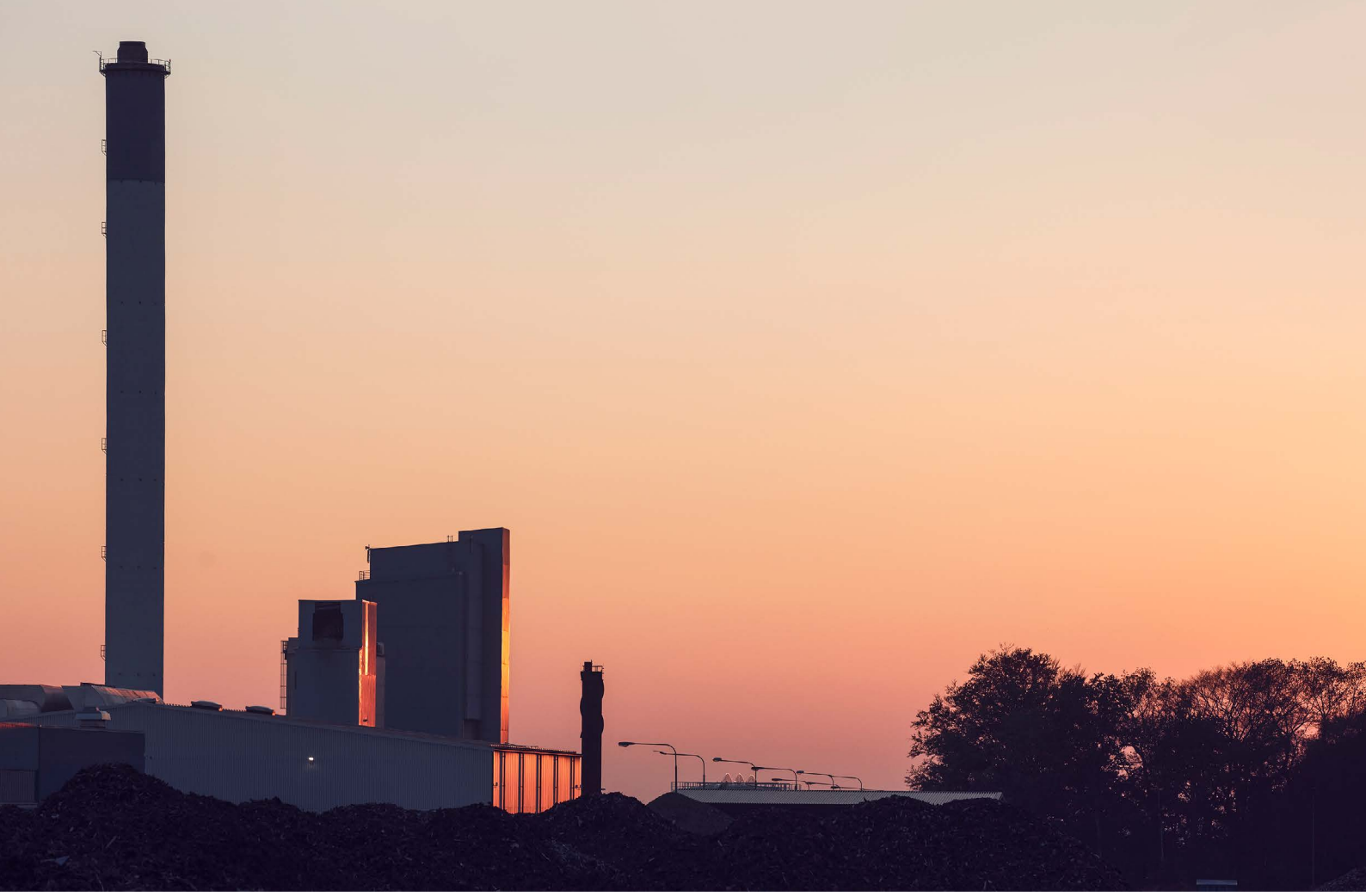
STENA METALL AND THE CIRCULAR ECONOMY

Resources and materials have always been important to societal development and increased living standards for people. The traditional production model is linear, based on extraction of resources and manufacturing of products, which are used by consumers and at the end of their lifetime discarded as waste. However, with a growing global population and improved living standards in many parts of the world, the increasing demand for products and resources highlights a number of issues with the linear model. It leads to both risk of resource scarcity and increasing waste levels. It is also inefficient in the sense that a lot of value is lost. Both environmental value, if useful resources are sent to waste, and economic value. In addition, reusing and recycling material is significantly more energy efficient than producing new material from virgin resources. The transition towards a circular economy is therefore also an important part of reducing global climate impact.

The linear model we relied on in the past is therefore no longer suited for the needs of today's modern societies. 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. Several of the Stena Metall Group's business areas are focused directly on providing circular solutions for their customers, in order to preserve and keep resource value within the circular economy.



The waste hierarchy is a waste management model that grades different ways of handling – and minimizing – waste with the aim to minimize loss of resources. Higher value is achieved by moving waste up the hierarchy. The waste hierarchy is based on EU directives and is a cornerstone within the circular economy.



STENA RECYCLING

Stena Recycling is one of Europe's leading recycling companies, each year handling six million tons of waste and providing circular solutions and waste management services for over 100.000 customers. 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 NORDIC RECYCLING CENTER

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

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

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

CIRCULAR CONSULTING

Stena Circular Consulting is an international consulting business and part of Stena Recycling. The mission of Circular Consulting is to support companies in their development towards sustainable circular solutions that will provide both environmental and business value. Circular Consulting is the deliberate result of Stena Recycling's history in recycling and waste management. With decades of hands-on experience in increasing raw materials' value, Stena Recycling is uniquely positioned to help customers become more sustainable through circularity. Circular Consulting helps companies design their organization, process-flows, and products for circularity, so that products and materials can be moved upwards in the waste hierarchy.

CIRCULAR INITIATIVE

Collaboration in the value chain and sharing of knowledge and expertise is essential in order to achieve a high level of circularity. To promote such collaborations, Stena Recycling has initiated the Circular Initiative, a collaboration arena where major Swedish companies work together to increase the proportion of circular material flows and collaborate on long-term projects. Once a year, representatives from Stena Recycling meet with invited guests from the Swedish business community to exchange knowledge, take part in discussions around circularity and to present existing and new projects.

EXAMPLES OF CIRCULAR COLLABORATIONS:

Stena Recycling / Electrolux: For the Circular Initiative 2021 the "2-Infinity" prototype vacuum cleaner was unveiled by Electrolux in partnership with Stena Recycling. The prototype is close to being fully recyclable, to a level of 90% compared to around 75% for a regular vacuum cleaner on the market. As a next step a small pre-series of up to 300 appliances will be evaluated for production. The 2-Infinity is the second prototype developed within the Stena Recycling/ Electrolux partnership. The first prototype was made from 100% recycled materials and reused components and was unveiled in October 2020.

Stena Recycling / Alfa Laval: In April 2021, Stena Recycling and Alfa Laval announced a new partnership to introduce a groundbreaking business model for boosting circularity in the heat exchanger supply chain. Titled "Re-Made to matter", the initiative makes it possible for companies to upgrade to a more energy-efficient heat exchanger and get a refund on an old one, which will then be recycled by Stena Recycling. With the refund incentive to upgrade to more modern, efficient plate heat exchangers, businesses can greatly reduce their energy consumption. On top of improved long-term costs, this means a significant reduction in CO2 emissions. When Stena Recycling receives the replaced heat exchangers, they are processed to recover metals which are reintroduced into the supply chain of raw material, providing environmental gains by decreasing the demand for virgin materials. The collaboration constitutes an effective circular approach for this segment of the industry.

STENA ALUMINIUM

Stena Aluminium is one of the leading producers of premium quality aluminium alloys in northern Europe. Operations are based in Älmhult, Sweden. The customers are primarily foundries in northern Europe and most of the alloys produced are used for components in the automotive and engineering industries. Stena Aluminium's alloys are based on 100 percent recycled aluminium, which has a significantly lower climate footprint than virgin aluminum. The production of aluminium from virgin raw material in the form of bauxite requires large amounts of energy, but in the production of aluminium through recycling, the energy requirement can be reduced by up to 95 percent compared to virgin aluminum. Stena Aluminium mainly provides aluminum alloys as ingots but is also the first producer in the Nordic region to deliver liquid aluminium. The concept of aluminium in liquid form has significant cost benefits. It is also beneficial for the environment, since using liquid aluminum saves substantial amounts of energy.

HALOSEP

HaloSep introduces a groundbreaking 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, this previously hazardous waste is converted into new, valuable resources, while at the same time reducing the amount of waste that goes to landfill. In cooperation with Danish Vestforbrænding, HaloSep has established the world's first facility that separates metals and salts from fly ash. The facility has been built together with one of Copenhagen's largest combined heat and power facilities, where around 15,000 tonnes of fly ash is processed every year to extract zinc, salts and purified ash. HaloSep is also in the process of establishing a new development facility in Gothenburg, Sweden. The objective is to further develop the HaloSep process there in order to enable further increase in circularity and increased recycling of fractions to society.

BATTERYLOOP

BatteryLoop develops mobile solutions that enable large-scale storage and the use of locally generated electricity. The company's system, BLESS™, 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. The energy storage is based on used lithium-ion batteries from the automotive industry's hybrid and 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.

STENA METALL GROUP'S SUSTAINABILITY AMBITIONS

In addition to the Stena Metall Group's focus on circular solutions and efficient resource management, the Group has also implemented a sustainability framework that defines the common ambitions for the internal sustainability work. The Stena Metall Group's approach to sustainability is divided into four areas – Value Creation, Resource Efficiency, People & Culture and Responsible Relationships. The specific sustainability topics in focus under each area are determined by a Group-level materiality analysis, which is reviewed annually.

VALUE CREATION

The principal goal in all operations is to create value – for owners, customers, partners, and for society as a whole. Products and services are continuously developed in order to increase the value created. An important part of the Stena Metall Group's value creation consists of leading the transition towards a circular economy and engaging in collaborations with customers and other partners to increase circularity in the society.

RESOURCE EFFICIENCY

The Stena Metall Group strives for resource efficiency in all parts of the operations, and constantly aim to move upwards in the waste hierarchy. Resource efficiency also includes working to improve energy efficiency and to continuously reduce the Group's climate footprint. The Group measures and reports on climate impact in the annual Sustainability report. Climate targets are set on company level. The Swedish branch of Stena Recycling committed to set science-based targets in January 2021.

PEOPLE & CULTURE

Together with the people in the Group, Stena Metall works continuously to create a safe and engaging working environment, with care and inclusion as drivers. The aim is to create a value-based culture driven by engagement and strong business acumen. This is done by continuously striving to support development for the Group's people and leadership and enable them to create value and grow within the organization.

RESPONSIBLE RELATIONSHIPS

The Stena Metall Group conducts business in a responsible way, in accordance with the values stated in the Group's Code of Conduct. This includes engaging in dialogue with suppliers, customers and other business partners in order to promote sustainable value chains, with consideration for both people, the environment, and sound business principles. Stena Metall Group has also implemented a Code of Conduct for Business Partners, to reinforce the Group's expectations that suppliers, customers and other business partners work in line with Stena Metall's values.

UN GLOBAL COMPACT

The Stena Metall Group's Code of Conduct is based on the UN Global Compact's principles for labour rights, the environment, human rights, and anti-corruption. Stena Metall Group supports these principles and is a participant in the UN Global Compact.

FRAMEWORK STRUCTURE

As part of Stena Metall's continued commitment to sustainability, this Green Finance Framework (the "Framework") has been developed. The structure of the Framework is developed to be in line with both the ICMA Green Bond Principles (GBP) 2021, as well as the LMA and APLMA Green Loan Principles (GLP) 2021, and therefore the framework consists of the four key core components for alignment with the Green Bond Principles and the key recommendations for heightened transparency, namely

THE GREEN BOND PRINCIPLES

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

It is Stena Metall's intention to follow the best practices, in relation to Green Bonds and Loans, as the market standards develop and as the EU classification of environmentally sustainable economic activities enter into force. Therefore, Stena Metall's Green Finance Framework may be amended and/or updated to reflect the changes in market practice. The second opinion, together with the Green Bond Framework, is publicly available on Stena Metall's website stenametall.com/investor-relations/green-bond/.

EXCLUSIONS

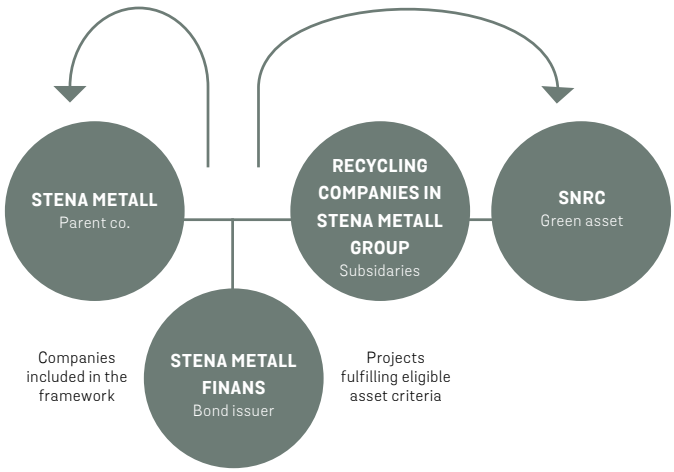
Green Bonds net proceeds will not be allocated to projects for which the purpose of the project is fossil energy production or harmful resource extraction. The Green Bond proceeds will not be allocated to Stena Stål, Stena Oil or Stena Metal Inc., which are also part of the Stena Metall Group.

USE OF PROCEEDS

The net proceeds from Stena Metall's issuances of Green Finance Instruments will exclusively be used to finance Eligible Assets within Stena Recycling, Stena Aluminum, Batteryloop, HaloSep and its subsidiaries or acquired entities by those business areas. Net proceeds will finance Eligible Assets according to this framework in part or in full that pro¬mote environmental and societal benefits as determined by Stena Metall and its sustainability ambitions. The proceeds raised based on this Green Finance Framework can be applied towards ownership, capital expenditures, R&D and acquisitions of facilities, tools, processes, machines and supportive infrastructure associated with the eligibility criteria below.

Information about the split between financed and refinanced assets will be included in the Green Finance Impact Report. The definition of financed assets are those assets which has been, or will be, taken into operation one year before the asset is approved by the Green Bond Committee. There is no uniformed look-back period for refinanced Eligible Assets, the Green Finance Committee will assess the remaining lifetime of those assets and its remaining life cycle benefit as the base for refinancing Eligible Assets.

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



ELIGIBLE ASSET CATEGORIES: CIRCULAR ECONOMY

Ownership, capital expenditures, R&D and acquisitions into facilities, tools, processes, machines and supportive infrastructure related to recycling and circular services.

Substantial contribution to: Climate Change Mitigation

United Nation Sustainable Development Goals:

EXAMPLES OF INVESTMENTS IN ELIGIBLE ASSETS:

Stena Recycling

Investments in comprehensive solutions within recycling and circular services, aiming to move waste upwards in the waste hierarchy and increase the share of products and materials that can be reused or recycled.

Stena Nordic Recycling Center (SNRC)

Investments is SNRC, which is the hub in Stena Metall's recycling eco-system and one of Europe's largest and most modern recycling facilities.

Stena Aluminum

Investments in recycling and circular services as one of the leading producers of premium quality aluminum alloys in northern Europe based on 100 percent recycled raw aluminum.

Batteryloop

Investments in energy storage systems based on used lithium-ion batteries from hybrid and electric vehicles. The solution meets the growing demand for mobile energy storage systems, as well as the increasing need to reuse and extend the service life of batteries from the automotive industry.

HaloSep

Investments in facilities, including supporting infrastructure, of cutting-edge technology to manage and process fly ash from waste incineration. The process makes it possible to clean the ash and recover resources through separation such as metals and salts that would otherwise be lost.

SELECTION AND EVALUATION OF ELIGIBLE PROJECTS

Stena Metall has established a Green Finance Committee (GFC) to evaluate and select assets that are in line with the criteria set out in the use of proceeds section. The committee meets at least on an annual basis or when needed. The Green Finance Committee is comprised of representatives from Treasury, Group Sustainability, Business Control and the Group CEO. The sustainability representative will have veto to refuse projects that do not fulfil the criteria, and has the deciding vote in a two against two scenario. The Green Finance Committee is responsible for Evaluating the compliance of proposed assets with the eligibility criteria outlined in the Use of Proceeds section above. Ensuring that the pool of Eligible Assets is aligned with the categories and criteria as specified in the Use of Proceeds section. Replacing investments that no longer meet the eligibility criteria (e.g. following divestment, liquidation, concerns regarding alignment of underlying activity with eligibility criteria etc.) On a best effort basis, reviewing and updating the content of the Green Bond Framework and managing any future updates of this document to reflect relevant changes in the Company's corporate strategy, technology and market developments (e.g. introduction of the EU Green Bonds Standards)

MANAGEMENT OF PROCEEDS

An amount equal to the net proceeds of any Green Bonds raised will be credited to an earmarked account that will support Stena Metall's lending to Eligible Assets. So long as the Green Bonds is outstanding and the earmarked account has a positive balance, funds may be deducted from the earmarked account and added to Stena Metall's lending pool in an amount up to all disbursements from that pool made in respect of Eligible Assets. The earmarked account will ensure monitor and track the Eligible Assets. The Group Treasury is responsible for the allocation of proceeds. If, for any reason, an Eligible Assets ceases to comply with the requirements set out in this Framework such asset will be removed from the earmarked pool. Proceeds yet to be allocated towards Eligible Assets will be placed in the liquidity reserves and managed as such. If the Green Account has a positive balance the unallocated funds may be invested in short term interest bearing securities pending investment in Eligible Projects and Assets. Such allowed investments are Swedish treasury bills and highly rated short term bank notes (A+ rating from Standard & Poor's or an equivalent rating from Moody's or Fitch). The ambition is to use the proceeds within one year and no later than two years from the time of issuance of Green Finance Instruments.

REPORTING

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

ALLOCATION REPORTING

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

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

IMPACT REPORTING

Stena Metall Group will strive to report on the environmental impact of Eligible Assets financed by Green Finance Instruments when feasible and subject to data availability. The impact reporting aims to disclose the environmental impact of such Eligible Assets financed under this Framework, based on Stena Metall Group's financing share of each project. As Stena Metall Group can finance large and small Eligible Assets in the same project category impact reporting will be provided for a selection of projects within the Eligible Assets, the information may be provided on an aggregated portfolio basis due to confidentiality agreements, competitiveness considerations or numerus projects limiting the amount of detail that can be made available. Stena Metall Group intends to report on quantitative impact indicators where feasible and when relevant data is available. Examples of impact indicators and metrics that may be included in the Green Finance Investor Report can be found in the appendix. When reporting on quantitative indicators, the methodology for calculating the impact indicators will be described in the report.

EXTERNAL REVIEW

SECOND PARTY OPINION (PRE-ISSUANCE)

To secure alignment with national and international guidelines, Stena Metall has engaged Cicero to act as an external verifier of this Green Bond Framework and the Eligible Projects.

THIRD-PARTY REVIEW (POST-ISSUANCE)

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

PUBLICLY AVAILABLE DOCUMENTS

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

DOCUMENTATION OF ENVIRONMENTAL AND SUSTAINABILITY WORK

1. Principles, convictions and basic values for Stena Metall AB Public Link
2. Code of conduct Public Link
3. Code of Conduct for Business Partners Public Link
4. Stena Metall Group Sustainability Ambitions Public Link
5. Sustainability Report 2020/2021 Stena Metall Group Public Link

APPENDIX

ELIGIBLE ASSET CATEGORY	EXAMPLES OF IMPACT INDICATORS
Circular economy	Stena Metall will include at least three examples of Circular economy initiatives that have been financed with green net proceeds. Given the number of investment types that qualify under the category, the reported KPI's can vary between projects. Stena Metall will emphasize on the following performance metrics where applicable and relevant: • Avoided CO2 emissions of recycled materials compared to virgin material • Recycling rates and waste hierarchy allocation If actual data for such performance metrics is not yet available, impact reporting can be based on future estimated environmental benefits. If no quantifiable data is available, the projects' environmental benefit can be presented in a qualitative manner.