

GREEN BOND REPORT

STENA METALL, NOVEMBER 2023



STENA METALL AND GREEN FINANCING

Stena Metall is a family owned Group and operates within three subgroups (Stena Recycling, Trade & Industry and Stena Metall Finans), on more than 220 locations in nine countries. The Group's businesses 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. The products and services offered by the Group's companies create sustainable value for customers and collaboration partners, as well as long-term profitability for the Group. The effective and innovative resource management strengthens the customers' own sustainability performance and benefits society at large. Every year, the Group's recycling companies collect and recycle around six million tons of waste, contributing to preserving valuable resources and providing society with important recycled raw materials.

With several companies in the Group whose operations contribute to the circular economy, Stena Metall has a clear contribution to sustainable development and has accessed capital through green instruments on several occasions. This includes a green term loan and two green revolving credit facilities, both aimed at financing the Group's recycling operations. The Group has also issued two green bonds, one of which has also been reissued. Stena Metall's green bonds offer opportunities to invest in projects with a clear sustainability profile. Both of the green bond frameworks that Stena Metall has produced were rated Dark Green by the second opinion provider Cicero. The green bond funds are targeted to financing and re-financing of projects within the Group that contribute to strengthening the ambitious sustainability agenda and the circular transition.

This green bond report constitutes the yearly report to investors on use of proceeds as well as green impact and performance for both green bonds issued by Stena Metall. The first green bond of 800 MSEK was originally issued in 2018, and reissued in April 2023 to the extended amount of 1 billion SEK. This bond is focused on investments related to Stena Recycling's flagship facility in Halmstad, Stena Nordic Recycling Center (SNRC), and is reported on pages 12-15. The second green bond was issued in April 2022. It had a nominal amount of 1 billion SEK and is aimed at circular investments throughout selected companies in the Group. This bond is reported on pages 7-11.



SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals identify 17 key areas where businesses can contribute in order to achieve a sustainable society in the long run. The goals cover a broad range of matters, including environment, social matters and sustainable economic development. Eight of the targets have been identified as more closely related to the eligible assets and use of proceeds for Stena Metall's green financing. Below you can read more about the identified targets and Stena Metall Group's contribution.



Ensure availability and sustainable management of water and sanitation for all:

Stena Metall measures and strives to reduce water consumption. At some operational sites, for example the largest one in Halmstad (Stena Nordic Recycling Center), there is a closed-water circuit where the water required for the recycling process is cleaned and reused. Stena Recycling also treats wastewater which then reenters the system.



Ensure access to affordable, reliable, sustainable and modern energy for all:

Stena Metall is working to reduce emissions and energy use across its operations, and to progressively switch to fossil-free fuels.

The Group also provide circular solutions related to energy. Stena Recycling produces certain fuels made from processing of recycled organic materials or oils, which can serve as replacements for fossil fuels. Another example is the subsidiary BatteryLoop, which uses electric vehicle batteries to build energy storage solutions.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all:

Stena Metall works for sustainable growth and invests in innovative and

creative solutions to make this a reality. Transitioning to a circular economy is a central part of the Group's operations. Creating a safe workspace is also a highly prioritized focus area, based on the perspective that all work-place accidents can be avoided.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation:

Stena Metall's operations are characterized by innovative development in all sectors of operation.

An important part of a successful transition to a circular economy is to recognize and value innovation that strengthens the circular use of resources, increases recycling rates and enables the use of circular materials. To this end Stena Metall continuously looks for opportunities to invest in processes and technology that contributes to increased circularity and sustainability.



Make cities and human settlements inclusive, safe, resilient and sustainable:

An efficient waste management and recycling system is integral to creating hospitable communities and living-spaces.

By offering waste management solutions, the largest subsidiary Stena Recycling contributes to taking proper care of the waste produced by society and turning it into new resources.



Ensure sustainable consumption and production patterns:

Circularity and increased resource efficiency is a key puzzle piece to achieve more sustainable consumption and production patterns.

The transition to a circular economy is a common denominator for a significant part of Stena Metall's operations. All subsidiaries eligible for investments in Stena Metall's Green Bond have circularity as a core part of their business offering.



Take urgent action to combat climate change and its impacts:

Through internal and external engagement, Stena Metall is taking concrete action to address the climate transition. The Stena Recycling

companies on all markets have set climate targets approved by the Science Based Targets initiative, to reduce Scope 1 and 2 emissions with 50% and Scope 3 emissions with 25% between 2021 and 2030. Stena Aluminium has also committed to set science-based targets, which are currently under development.



Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development:

To achieve the climate transition, collaboration is necessary both within and across

industry sectors, and both nationally and internationally. Stena Metall participates in several initiatives to promote sustainable development, some at a local, company level, and some on a Group level. One major collaboration initiated by Stena Recycling is the Circular Initiative, a collaboration arena to promote circular innovation through partnerships.

GREEN BOND FRAMEWORK

Stena Metall's second Green Bond was issued on April 27th 2022, under a new Green Bond Framework for the Group. Just like the first one launched in 2018, the new Green Bond Framework also received a Dark Green grade by the second party opinion provider Cicero, which is the highest rating awarded. The framework also received recognition in Cicero's annual best practice report for 2022.

Stena Metall's first green bond, originally issued in 2018, was reissued in 2023 to significant interest from investors. The reissue took place under the new 2022 Green Bond Framework, meaning that both bonds are now reported according to the same framework.

The 2022 Green Bond Framework developed for Stena Metall is aimed at financing projects within the Group with a clear environmental benefit, specifically projects which contribute to increased circularity, to moving more material upwards in the waste hierarchy, or otherwise contribute to reducing the organization's climate footprint. The terms of the Green Bond Framework state that eligible investments are limited to projects within the subsidiaries in the Group that has circularity integrated in the core business. These subsidiaries are the Stena Recycling companies, Stena Aluminium, HaloSep and BatteryLoop. The companies are presented more in detail on page 5.

The majority of the funding is allocated to operations within Stena Recycling, which is the Group's largest subsidiary both in terms of turnover and number of employees. The allocation is dedicated to investments in existing facilities, new facilities and to acquisitions, in all cases with the aim to

strengthen the capacity for circular processes and improved recycling rates. Projects can be added to the report once the issuer has approved and determined a project as eligible, or once green bond proceeds have been allocated to eligible disbursements. Projects can be removed from a report when no allocations to eligible disbursements have taken place in the reporting period, or after the underlying loans have been repaid.

A strategic focus area in recent years has been investments in battery recycling. As the electrification of the transport sector progresses at a fast pace, there is a growing demand to ensure that the batteries from these vehicles can be responsibly and sustainably reused and recycled. To meet this development, Stena Recycling has invested in a state of the art facility for battery recycling, located close to the existing flagship facility Stena Nordic Recycling Center in Halmstad. The battery recycling facility was inaugurated in March 2023. More information about battery recycling is provided on page 9-10. For a full overview of the allocation for the 2022 green bond, see page 7-8, and for the reissued 2023 green bond, see page 14.



DARK GREEN RATING BY CICERO

A second party opinion on the Green Bond Framework was provided by Cicero when the bond was issued. The full report is publicly available at the Stena Metall website. Below is an extract of the summary.

"Based on the project category shadings detailed below, and consideration of environmental ambitions and governance structure reflected in Stena Metall's green bond framework, we rate the framework CICERO Dark Green./.../ Stena Metall plays an important role in improving the carbon footprint of industries through its business model of supplying these with recycled raw materials /.../ The company has a clear sustainability profile and forward-looking ambitions."

ELIGIBLE ASSETS PORTFOLIO

Eligible asset categories for Stena Metall's second Green Bond have been set to ownership, capital expenditures, R&D and investments into facilities, tools, processes, machines and supportive infrastructure related to recycling and circular services. The eligible asset categories are limited to the subsidiaries Stena Recycling, Stena Aluminium, BatteryLoop and HaloSep, which are presented further below.



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 Recycling operates in Sweden, Denmark, Norway, Finland, Poland, Italy and Germany, and has set ambitious climate targets for their operations on all markets. The targets received approval by the Science Based Targets initiative in August 2023.



HALOSEP

HaloSep introduces a groundbreaking technology to purify and refine hazardous waste from fly ash, 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. HaloSep is also in the process of establishing a new development facility in Gothenburg, Sweden.



STENA ALUMINIUM

Stena Aluminium is one of the leading producers of premium quality aluminium alloys in northern Europe. With operations based in Älmhult, Sweden, Stena Aluminium's customers are primarily foundries in northern Europe. Most 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 aluminium.



BATTERYLOOP

BatteryLoop develops the mobile solutions BLESS™ (Battery-Loop Energy Storage System) that enable largescale storage and use of locally generated electricity. The solution makes it possible to store electricity from for example solar cells, to then use as needed. The system consists of energy storage, energy management systems, and tools for data analysis. 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 battery lifetime. There are many areas of application. Initially, BatteryLoop is focusing on solutions for properties, ports, and logistics centers¹.

¹After year-end 2022/2023 Stena Metall has signed an agreement with Repono AB to sell 100 percent of the shares in BatteryLoop Technologies AB. The transaction is expected to be finalized before year-end 2023. The transaction has no significant financial impact on the Stena Metall Group. No funds have been allocated to BatteryLoop under this Green Bond Framework, see table on p.7.

SCIENCE BASED TARGETS

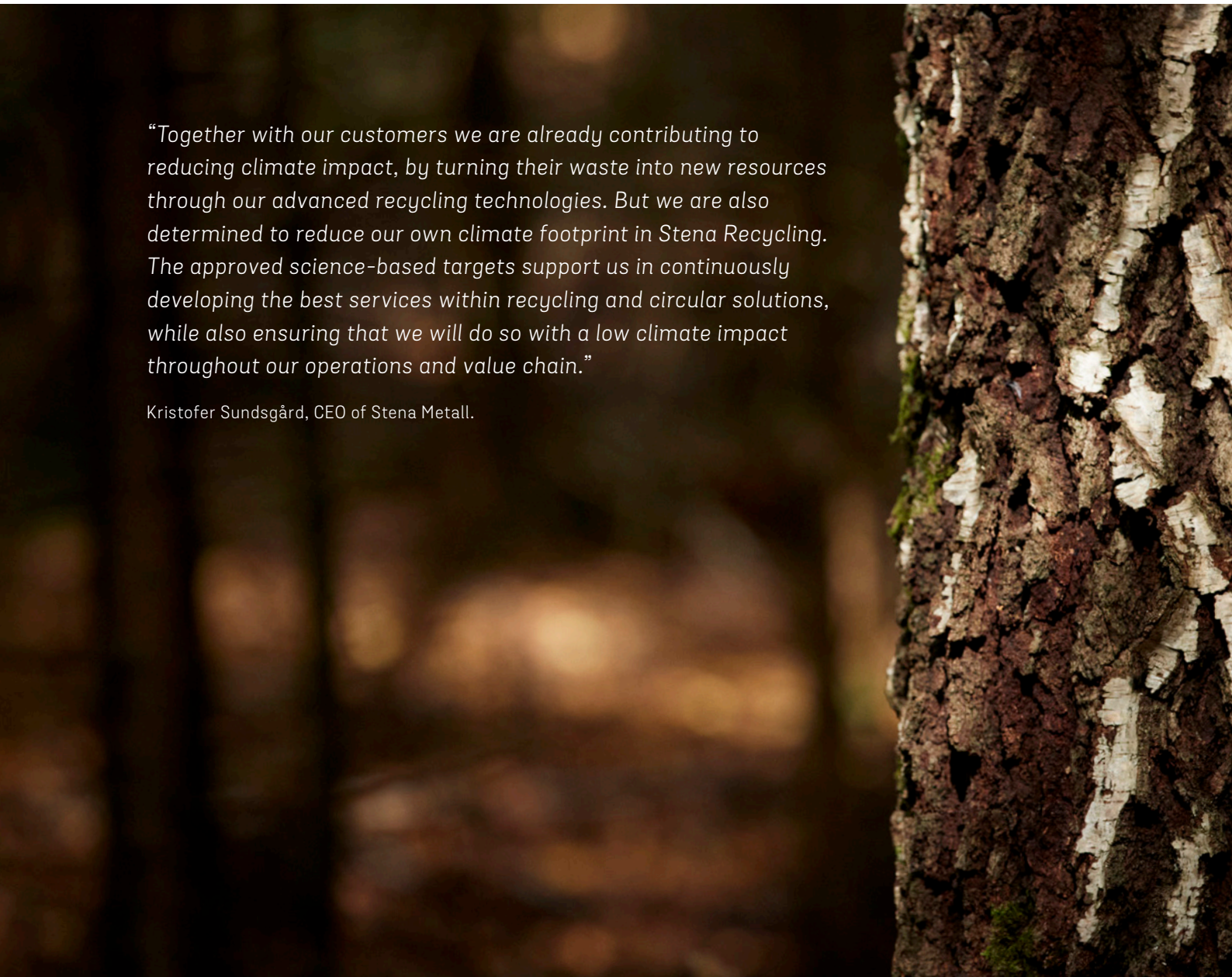
As one of the first European companies in the recycling and waste management sector, Stena Recycling received approval from the Science Based Targets initiative on its greenhouse gas reduction targets in August 2023.

The Science Based Targets initiative (SBTi) is a global organization that aims to help and support companies set climate goals. These goals must be relevant and contribute to limiting global warming to 1.5 degrees, compared to pre-industrial levels, according to current scientific opinion. Joining the SBTi provides opportunities to support, engage and share best working practices concerning climate impact.

Stena Recycling's commitment is to reduce greenhouse gas emissions (GHG) from own operations (Scope 1 & 2) with 50% by 2030 from a 2021 base year, and to reduce absolute scope 3 GHG emissions from purchased goods and services,

upstream transportation, and downstream transportation by 25% within the same timeframe. In addition to the 2030 target, Stena Recycling has also submitted a commitment to set net-zero targets for 2050, which yet remains to be validated.

To reach the targets, Stena Recycling will focus on reducing emissions from own working machines and trucks through electrification and the use of biofuels, transitioning to fossil-free electricity throughout operations, as well as reviewing the logistics chain and collaborating with transport suppliers to find more carbon efficient solutions.



“Together with our customers we are already contributing to reducing climate impact, by turning their waste into new resources through our advanced recycling technologies. But we are also determined to reduce our own climate footprint in Stena Recycling. The approved science-based targets support us in continuously developing the best services within recycling and circular solutions, while also ensuring that we will do so with a low climate impact throughout our operations and value chain.”

Kristofer Sundsgård, CEO of Stena Metall.

FINANCIAL OVERVIEW

The below tables show an overview of the projects financed with the proceeds from the 2022 Green Bond. For this second report, the 1 billion SEK has been fully allocated. In accordance with our Green Bond Framework, three separate investments have been highlighted in this report. More information about these projects can be found on pages 9-11.

Category	Allocated amount (MSEK)	Financing %	Re-financing %
Stena Recycling	1243,2	91%	9%
HaloSep	31,5	100%	0%
Stena Aluminium			
BatteryLoop			
Total	1274,7	91%	9%
Not yet allocated	N/A		



FINANCIAL OVERVIEW

Eligible asset projects	Allocated amount to investment (MSEK) ¹	Disbursed amount per 2023-08-31 (MSEK) ²	Category	Geographical market
Investment in recycling of WEEE plastic (from electronics) in Angiari, Italy	163,0	155,0	Stena Recycling	Italy
Investments in electric and biogas vehicles and machinery in the recycling operations ³	126,2	98,2	Stena Recycling	Sweden and Norway
Acquisition of Swerec - company specialized within plastic recycling	97,2	97,2	Stena Recycling	Sweden
Investment in LDPE plastic recycling (soft plastics) in Wschowa, Poland	48,3	48,3	Stena Recycling	Poland
Investment in recycling of precious metals and plastic from electronics in Wschowa, Poland.	42,2	42,2	Stena Recycling	Poland
Construction of HaloSep development plant to optimize and develop processes for treatment and recycling of fly ash.	31,5	31,5	HaloSep	Sweden
Acquisition of Moreco - company specialized in reuse of IT infrastructure from data centers	33,8	33,8	Stena Recycling	Sweden
Investment in Shredder Light Fraction recycling and further non-ferrous processing in Grenaa, Denmark	35,5	35,5	Stena Recycling	Denmark
New facility for battery recycling in Halmstad, Sweden with capacity to recycle 10.000 tonnes of lithium-ion batteries per year ⁴	134	105	Stena Recycling	Sweden
Investments in hard plastic processes in Lanna, Sweden, recycling fractions that were previously sent for incineration.	79	47	Stena Recycling	Sweden
Investment in upgraded facility and increased capacity for electronics recycling in Aussenfjellet, Norway	68	30	Stena Recycling	Norway
Installation of solar panels on the site in Angiari, Italy	28	28	Stena Recycling	Italy
New facility in Skellefteå, Sweden, that will handle several different fractions of waste, including battery waste from Northvolt.	152	46	Stena Recycling	Sweden
New center for aluminium recycling in Halmstad, Sweden, to increase material efficiency and optimize logistics.	236	45	Stena Recycling	Sweden
Total	1274,7	842,7		

(1) Total budgeted cost of investment.

(2) Amount disbursed for the investment by the end of the accounting year 2022/2023.

(3) 69% of this amount refers to financing and 31% refers to refinancing.

(4) 70,7 MSEK has been subtracted from this investment to avoid double counting, due to a grant received from the Swedish Energy Agency

HIGHLIGHTED INVESTMENTS

A SAFE, SUSTAINABLE SOLUTION FOR END-OF-LIFE LITHIUM-ION BATTERIES

The global production of battery-powered products is undergoing rapid growth, encompassing a wide array of products ranging from smart devices and household appliances to power tools and electric vehicles. As our world increasingly embraces electrification, a challenge arises: the responsible management of used lithium-ion batteries in a safe, circular, and environmentally compliant manner.

In the coming years, the new EU battery regulation (replacing the old battery directive from 2006) will enter into force in different phases. It provides a comprehensive tightening of legislation to stimulate entirely new circular partnerships between battery manufacturers, the industry, and recyclers. Among other things, the regulation increases the requirements for recycling and reducing the climate impact of battery production and will ensure that batteries released on the European market are sustainable and safe. The legislation is new in that it regulates the entire lifecycle from sustainable extraction of raw materials to waste management.

Stena Recycling is at the forefront of collaborative efforts with battery manufacturers, automotive original equipment manufacturers (OEMs), and various industries. Their goal is to ensure that used lithium-ion batteries, and production

waste such as battery cells, copper foil, aluminium, and plastic, are recycled or reused safely and responsibly.

Stena Recycling has established a Battery Recycling Center (BRC) in Halmstad and battery centers for collection, testing, recycling, and reuse of batteries in Sweden, Denmark, Finland, Germany, and Poland, and is establishing capacity in Norway and Italy. In European countries where Stena Recycling does not operate, the company collaborates with trusted logistics partners that collect used lithium-ion batteries and safely transport them to the nearest country with a certified Stena Recycling battery center. This combination of investment and ambition enables Stena Recycling to recycle and reuse lithium-ion batteries on an industrial level from large parts of Europe.

Stena Recycling puts considerable effort into safe reuse before recycling. At the pre-treatment centers an advanced assessment of the old batteries is performed to determine and define any re-use potential. The material fit for re-use is then further assessed and given a second life via industrial energy storage systems providers. This significantly improves both economy and sustainability in a lifecycle analysis perspective. If the material however, for several reasons, is not fitted for a second life it will be recycled.



HIGHLIGHTED INVESTMENTS

NEW FACILITY FOR BATTERY RECYCLING IN HALMSTAD, SWEDEN

At the end of March 2023, Stena Recycling inaugurated a state-of-the-art battery recycling facility for lithium-ion batteries at SNRC. The Battery Recycling Center (BRC) is one of the first industry scale battery recycling facilities in Europe. The new plant has an initial yearly recycling capacity of 10,000 tons of battery material per year, equivalent to around 30,000 electric car batteries, but preparations are being made to scale up the battery recycling capacity as the market grows.

The facility and processes are flexible, which means that batteries from most products, as well as production scrap from battery manufacturers, can be accepted. The battery material is collected and pre-treated in all Stena Recycling's existing facilities and battery centers in Europe. Proximity to customers allows for more efficient transportation and safer handling by dismantling, discharging, and short-circuiting the batteries at these battery centers. Discharged modules and cells are then be transported to the Battery Recycling Center at SNRC for recycling.

An advanced recycling method and process makes it possible to recycle up to 95 percent of the material of the lithium-ion battery used in an electric vehicle. Valuable minerals such as cobalt, lithium and nickel can thereby be recovered and used to manufacture new batteries with very high recycling rates.

The battery center at SNRC is an investment of over SEK 200 million, for which Stena Recycling received SEK 70.7 million in funding from the Swedish Energy Agency in 2021. In order to eliminate double counting, this grant has been discounted from the total investment in the figures presented in this Green Bond report. In addition to the battery recycling facility in Halmstad, Stena Recycling is also investing an additional SEK 100 million in battery centers in its markets across Europe. The investment in the battery centers is not included in this year's Green Bond report.



HIGHLIGHTED INVESTMENTS

NEW DEVELOPMENT FACILITY FOR HALOSEP IN GOTHENBURG, SWEDEN

During the financial year 2022/2023, intensive work has been done on the establishment of the HaloSep PORT (Plant for Optimization, Research, and Technology) in Gothenburg, Sweden. The facility is now ready to receive the first real samples for processing. The objective with the development facility is a continuous development of the HaloSep process to further increase circularity and the recycling of fractions. Other objectives include:

- De-risk and demonstrate customer projects
- Develop the technology for additional markets
- Develop technologies for circularity

HaloSep enables a unique circular solution and offers a cutting-edge technology to purify and refine hazardous waste in the fly ash from waste-to-energy plants, that provide heat and electricity for homes, into valuable resources to be returned to society.

Through the process, previously hazardous waste is converted into new, valuable resources, while at the same time significantly reducing the environmental impact.

Instead of ending up in landfill, the HaloSep process enables the hazardous waste collected in the flue gas treatment system to be converted into three valuable resources. The stabilized fly ash is a mineral fraction that can be used for construction purposes. The metal fraction



can be used as feedstock for zinc smelters. The salt water can be used as road salt or other industrial use. By providing a local treatment and recycling solution, long distance transport and export of hazardous waste is avoided.

SOLAR PANELS PROVIDE MAJOR CONTRIBUTION TO ELECTRICITY SUPPLY IN ANGIARI, ITALY

As part of the work on sustainability and reducing the climate footprint of the business, Stena Recycling Italy has installed 3,666 solar panels at its facility in Angiari, corresponding to an area of 7,148 square meters.

With the number of hours of sunshine in this part of Italy, the solar panels produce 1,785 MWh, which covers 30 percent of the annual energy consumption of the facility.



GREEN BOND 2023-2028

STENA NORDIC RECYCLING CENTER

Stena Metall issued its first green bond on May 23, 2018. The amount was SEK 800 million, with a term of five years. The net proceeds for this bond have been exclusively used for investments at the Stena Nordic Recycling Center, one of Europe's most advanced and efficient recycling facilities.

In May 2023, the bond was reissued, with strong demand from investors and an extended amount of 1 billion SEK. Upon reissue, the bond was emitted under the new Green Bond Framework published by Stena Metall in 2022. The investments in this bond are considered as 100% refinancing.



ABOUT STENA NORDIC RECYCLING CENTER

The multitude of different recycling processes, gathered in one location, is what makes Stena Nordic Recycling Center unique. This also increases efficiency and reduces the need for transportation.

1. NON-FERROUS METAL PROCESSING
Stainless steel, copper, aluminium and other non-magnetic metals are separated from each other. This mixture comes from vehicles and other complex products - including those from municipal recycling centres. Before processing, the materials are ground into smaller pieces in a powerful shredder.

2. SHREDDER LIGHT FRACTION PROCESSING
Shredder Light Fraction is a tangled, difficult to sort residue produced when vehicles and other complex products are ground in shredders. It consists of textiles, foam rubber, wood and small fragments of plastic and metal which, in the past, was mostly sent to landfill sites. Thanks to our technology, a large proportion of the metal content can now be recycled. Much of the other material can be used as high-quality fuel for energy-intensive industries, or in the production of district heating and electricity.

3. FIRST TREATMENT
All the electronic products sent to the Stena Nordic Recycling Center are handled by specially trained employees. They remove all hazardous waste, such as batteries and components containing mercury and PCB, so that no environmentally harmful substances enter the recycling process. This is carried out manually, as there are currently no automated processes that can assure high-quality results.

4. PRECIOUS METAL RECYCLING
After first treatment, decontaminated electronic products are processed in an advanced, automated system. Copper and aluminium fractions are extracted, along with circuit boards containing gold and silver. Even plastics are extracted into a recyclable fraction. Plastic containing harmful flame retardants are removed and can be used as fuel.

5. REUSE
Some electronic products contain screens and other components that still function. At the Reuse department, these are extracted and tested before being delivered to electronics manufacturers, where they can live on in new products. From a circular perspective, reuse is a better option than material recycling, whenever it is possible.

6. PLASTIC RECYCLING
New raw materials are produced by recycling plastic from electronic products and packaging film. The recycled plastic raw material is equivalent to the raw material produced by oil. The major advantage is that fossil resources are saved, when existing plastics can be used again.

7. CABLE RECYCLING
Used cables contain a lot of precious metals, copper being the most valuable. Recycling all kind of cables in an efficient way, with high quality output, requires skilled staff and advanced sorting machines. The plastic from the cable insulation becomes high-quality fuel for heating plants.

8. BATTERY CENTER
One of the latest establishments at Stena Nordic Recycling Center is the Battery Center, which has contributed to preparing Stena Recycling's positioning as a leading player in the recycling of batteries from electric vehicles and other products containing lithium-ion batteries. The Battery Center was established in 2020, and was the start of Stena Recycling's initiative in battery recycling, with the aim of developing methods and processes for handling and recycling different types of batteries.*

*Investments in the new, state-of-the-art Battery Recycling facility, which is also located in Halmstad and was inaugurated in spring 2023, are allocated from the 2022-2027 green bond funds.



USE OF PROCEEDS

The net proceeds from the issue of the 2023 Green Bond are used exclusively to refinance investments in the Stena Nordic Recycling Center.

From September 2013 until August 31, 2023, the Group has invested SEK 1041 million in the Stena Nordic Recycling Center. These investments are built on collaborations with customers and partners, not least vehicle manufacturers and suppliers of electrical and electronic goods. Since the start, large investments (SEK 317 million) have been made in adaptations to make the site suitable for industrial recycling and meet environmental and workplace safety requirements. Property investments during the year amounted to 23 MSEK.

The single largest investment (SEK 304 million) has been in non-ferrous metal (NF) processing - sorting metals from other material and from each other. Investments here include x-ray and laser sorting machines, which use advanced technology to separate mixed metals into clean metal fractions that can be sold directly to metal smelters. Another part of the investment (SEK 179 million) was used to create Europe's largest precious metals recycling (PMR) facility, where precious metals are extracted from electronic products. Before being fed into the process, hazardous substances are removed at a first treatment unit, which was damaged in a fire in 2021. A new first treatment facility is currently being built, and will be taken into operation in the beginning of 2024.

An innovative process has also been installed to recycle shredder light fraction in an efficient way (investment SEK 98 million). Shredder Light Fraction (SLF) is a mix of plastic, metal, rubber, textiles and other material that is difficult to recycle since it comes in small fragments, as a result when cars and other products are ground up in a hammer mill.

The processes for recycling soft plastic and plastic from electronic products required investments of SEK 12 million and SEK 50 million respectively. These processes produce plastic raw material in the form of pellets, which act as a sustainable substitute for plastic produced from virgin sources.

The process for cable recycling has required an investment of SEK 36 million. This highly efficient process produces clean metal fractions to be sold to metal smelters around the world. Improvements related to working environment and the environment for visitors are made continuously. Stena Nordic Recycling Center attracts a lot of visitors, and today there is a structured way of handling all these visits and to guide groups around the plant in a professional way.

Since there is a risk of fire in certain types of waste coming into Stena Recycling's branches, the company is committed to continuously developing its safety procedures. As one example, in August 2023, a fire took place at Stena Nordic Recycling Center, in a pile of unsorted electronic waste. No people were injured, nor were any buildings, production equipment or vehicles damaged. The company has established extensive safety procedures for prevention and early detection of fires, including fire detectors and automatic alarm systems, as well as employees patrolling the area around the clock. In case of financial damages related to a fire, these are covered by insurance.

INVESTMENTS

PROJECT	Balance per date	New investments	Balance per date	New investments	Balance per date
	2021-08-31	2021/2022	2022-08-31	2022/2023	2023-08-31
PMR	177	2	179	0	179
Plastic (from electronics products)	50	0	50	0	50
First Treatment	3	0	3	23	26
Property	313	-19 ¹	294	23	317
NF	283	21	304	0	304
SLF	94	4	98	0	98
Plastic (soft Plastic)	12	0	12	0	12
Cable	36	0	36	0	36
Other	4	15	19	0	19
TOTAL	972	23	995	46	1041

(1) Investments in property during 2021/2022 amounted to 5 MSEK, however, due to a fire that occurred at SNRC, 24 MSEK in property value has been derecognized from the balance sheet. The net change in property investment during 2021/2022 is therefore -19 MSEK.

IMPACT AND PERFORMANCE METRICS

For its investment in the Stena Nordic Recycling Center, the Stena Metall Group has developed relevant impact and performance metrics, in accordance with the main Green Bonds Principles category Pollution Prevention and Control and the secondary categories (i) Waste Management and Waste Recycling, (ii) Environmental Monitoring and Reduction of Negative Environmental Externalities, (iii) Eco-efficient, Circular and Value Added Products from Waste and Remanufacturing as well as (iv) Energy and Resource Efficiency.

Presented in the tables below are the key figures for the financial year 2022/2023.

KEY FIGURES

1	Processed waste at SNRC	230,540 tonnes
2	Fractions and volumes recovered from waste	
	Ferrous (incl stainless steel)	45,748 tonnes
	Aluminium	47,988 tonnes
	Copper	16,805 tonnes
	Other metals	3,298 tonnes
	Plastic	7,714 tonnes
	Glass	0 tonnes
	Other reuse and recycling	410 tonnes
	Total material recovery	121,964 tonnes
3	Processed number of cars per year (number of cars)	164,602 cars
4	Percentage of recyclable materials from cars (%)	98.5%
5	Prevented CO ₂ e emissions from recycled material (tonnes)	824,077 tonnes CO ₂ e
6	Water use per ton material processed (cbm)	0,130 cbm
7	Total energy consumption and GHG emissions from SNRC	1,880 tonnes CO ₂ e
	ENERGY TYPE	CONSUMPTION
	District Heating	5,460,858 kWh
	Electricity	25,728,432 kWh
	Diesel machinery	365,674 Liter
	Total	-
		EMISSIONS
		617 tonnes CO ₂ e
		283 tonnes CO ₂ e
		980 tonnes CO ₂ e
		1,880 tonnes CO₂e

DEFINITIONS

- Total amount of waste processed at SNRC. Calculated as the sum of all outbound fractions from the processes at SNRC.
- Material recovery from waste processed at SNRC. Calculated from outbound fractions and contents of processed materials.
- Number of recycled end-of life vehicles (ELV) from which waste is processed at SNRC. Calculated as the sum of processed ELVs at the shredders that delivers material to SNRC for further upgrading.
- Recycling rate of ELV material processed at Stena Recycling shredders and SNRC, including energy recovery for residual fractions. The recycling rate for car bodies delivered to Stena Recycling is based on batch tests at Stena shredders and SNRC.
- Data regarding disassembly before delivery to Stena comes from Bil Sweden reporting.
- Prevented CO₂e emissions when recycled material is used instead of virgin material. Calculated based on the amounts of materials recovered at SNRC and established factors for CO₂e prevention for different materials.
- Water consumption at SNRC per tonne of processed material. Calculated with input from KPI 2 and input from reading of flowmeters (water) also confirmation from supplier invoice.
- Total energy consumption and GHG emissions from SNRC. Emission factors include scope 1, 2 and 3 for the reported energy types.



Auditor's Limited Assurance Report on Stena Metall's Green Bond Report

To Company Stena Metall AB, org.nr 556138-8371

Introduction

I have been engaged by the Board and Group Management of Stena Metall AB ("Stena Metall") to perform a limited assurance engagement of Stena Metall's Green Bond Report for 22/23 ("the Report").

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Report in accordance with the applicable criteria. The criteria are described in Stena Metall Green Bond Framework ("the Framework") dated April 2022 (page 11-13), available on Stena Metall's website (www.stenamettall.com), that are applicable to the Report, as well as the accounting and calculation principles that the company has developed. This responsibility includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

My responsibility is to express a conclusion on the Report based on the limited assurance procedures I have performed. My assignment is limited to the historical information that is presented and thus does not include future-oriented information.

I conducted limited assurance procedures in accordance with ISAE 3000 (revised) *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. A limited assurance engagement has 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 ISQM 1 (International Standard on Quality Management) 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. I am 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 do not allow me to obtain such assurance that I would become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement, therefore, does not provide the same level of assurance as a conclusion based on an audit has.

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

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion below.

Conclusion

Based on the limited assurance procedures I have performed, nothing has come to our attention that causes me to believe that the Report is not prepared, in all material respects, in accordance with the criteria defined by the reporting criterias.

Gothenburg, the day stated on my electronic signature

PricewaterhouseCoopers AB

Johan Rippe
Authorised Public Accountant