



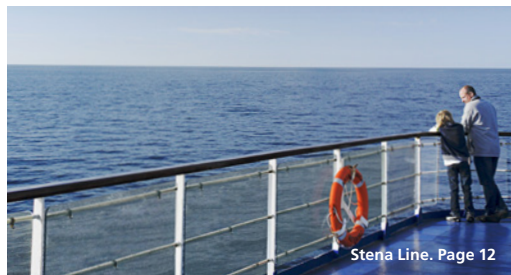
CARE INNOVATION EFFECTIVE PERFORMANCE



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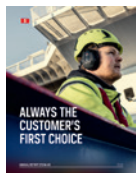
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Read more about the financial performance in the Annual Report. A printed report can be ordered at info@stena.com. This Annual Review is presented in accordance with Chapter 6, Sections 10–14, of the Swedish Annual Accounts Act. It is Stena AB's board of directors which is responsible for the sustainability report is prepared in accordance with the Annual Accounts Act. The designations Stena and the Stena Group concern Stena AB and the Stena AB Group, respectively.

Stena AB (publ), SE-405 19 Göteborg
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STENA FINANCE successfully issued two bonds after roadshows in, among other cities, **New York** and **London**.

STENA DRILLING reported ten occupational-injury-free years for *Stena Carron*, which is in continued employment in **Guyana**.

THIS IS STENA

Stena's maritime activities range from world-leading tanker and ferry operations to vessel charter and offshore drilling. Stena's onshore activities provide important functions for society, such as homes, premises, renewable energy and technical development. These two parts of the operations complement each other from a risk perspective, contributing to resilience and long-term strength.

45

Offices

15,200

Employees¹

141

Vessels, including newbuildings²

29,700

Residential and commercial units³

201

Wind turbines⁴

33,343

Total revenue, MSEK

STENA PROPERTY received a Sweden Green Building Award for the new Masthuggskajen in **Göteborg**.

During the year, STENA ADACTUM delisted Gunnebo through an acquisition together with Altor.

STENA BULK successfully completed their first voyage on biofuel from Good Fuel, bunkered at the Port of **Rotterdam**.

STENA TEKNIK is developing battery-operated *Stena Elektra* for operating **Göteborg-Fredrikshamn** by 2030.

Despite the pandemic, STENA RORO managed to convert *Stena Superfast X* for Corsica Linea at a yard in **Greece**.

STENA LINE is building an additional two ferries at the **Weihai Yard in China**.

NORTHERN MARINE GROUP delivered LNG technology in a major infrastructure project in southern **Vietnam**.

● Stena's offices worldwide

To learn more about our vessels, rigs, properties and ferry lines, see <https://ourfleet.stena.com>

¹Including external seagoing employees through Northern Marine.

²Owned, chartered and managed.

³Owned and managed.

⁴Including ongoing projects.

SURVIVING ANNUS HORRIBLIS AND CONTINUING TO DEVELOP

For the first time in Stena's 80-year history, we suffered an overall financial loss. The Covid-19 pandemic has brought lockdowns and closed borders. As a result, the number of Stena Line passengers fell by 75 per cent.

FORTUNATELY, STENA LINE has substantial, important freight activities, so that we succeeded in generating a small positive EBITDA.

Oil prices collapsed and Stena Drilling's contracts were terminated. All except one of our drilling units had to be laid up. Our negative EBITDA was close to USD 100 million. All but a handful of our competitors in the drilling industry are currently undergoing financial reconstruction. To maintain cash flows, we were obliged to sell valuable financial assets at a loss.

Fortunately, we received government support in the form of state guarantees for specific loans, as well as other support that helped us to keep our ferry operations largely intact. As a consequence, we have raised considerable liquid funds to enable us to keep our operations running, with a reasonable time perspective.

The times we are currently experiencing are tragic in too many ways to be described here. Nevertheless, new ideas and new ways of dealing with our situation are being developed very quickly and the world is becoming more and more digitalised. For Stena, this presents opportunities to increase contact among our employees, and between our employees and our company. We can establish closer ties with our customers,

suppliers and various other parties with whom we cooperate. New products and systems to improve our business in terms of higher productivity, and new services and products for ourselves and our customers, are changing both what we do and what we deliver. To ensure that we can stay ahead, each of our business areas has a person responsible for this digital transformation.

Once again, this is a time for engineers, but in contrast to earlier times' mechanical engineers, digital engineers are the heroes of the day. Yet technology is worthless without people who can collaborate and dream of new business opportunities or ways of doing business. We are changing in many respects. Many projects do not achieve productive end results. In order to reduce costs, it is very tempting to terminate projects that run into difficulties far too early. Maintaining a balance between realism, vision and perseverance is very difficult, especially when you are losing money. Without new products and services going forward, we will have no future. Today, both the courage to continue to invest and good business acumen are required of us.

Our assets are a strong base, with equity including deferred tax totalling SEK 47.7 billions. Fortunately, our property portfolio, primarily residential

properties, gives us stability in terms of both cash flow and valuation. Our portfolio of companies in Stena Adactum is both substantial and profitable.

Oddly enough, at the moment we are implementing a huge investment programme for new ferries designed for efficient transport of wheeled lorries and trailers. We believe that visiting friends and going on holiday by car will see an upswing after the pandemic is over. Driving by car gives a person more privacy than going by air. E-commerce is increasing transport frequency, and we have the advantage of increasing freight volumes. Our priority project for the future is to build a fully electrically-powered ferry for our three-hour route between Göteborg and Fredrikshamn.

We are continuing our annual investments in new flats, in the range of 1,000 units per year, in combination with the renovation of 1,000 units. Our kitchen manufacturer Ballingslöv International is doing well and will continue its international expansion based on flat packs exported to more and more European countries.

Despite a challenging start to 2021, we strengthened our liquidity position considerably by selling a large part of our international property portfolio and winning the dispute with Samsung Heavy

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Our priority project for the future is to build a fully electrically-powered ferry for our three-hour route between Göteborg and Fredrikshamn.

CEO COMMENTS

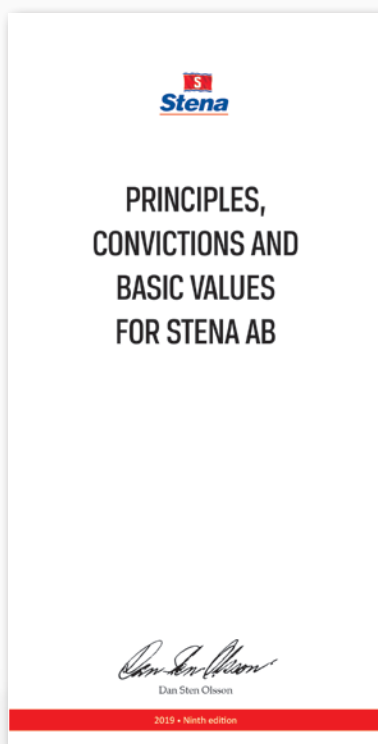
Industries on the termination of a drillship newbuilding contract.

So not everything is doom and gloom, thanks to how we recognise the importance of care and safety in everything we do. All of our six drilling units are employed this year, albeit at very low contract rates.

For 30 years, our corporate culture has evolved by understanding the nature of care. If everyone understands the meaning of care, we believe that leadership and good cooperation will provide a very strong foundation on which to build. Year after year, we will continue our endeavours. Today, this is demonstrated by how we understand and act on various aspects of inclusion and sustainability. You can read more about this in my White Book. We are proud of our achievements. With great enthusiasm, we find solutions to our shortcomings and I am optimistic when it comes to shaping our future.

GROUP SUMMARY

Key financial indicators	2020	2019	2018
Total revenue	33,343	37,142	34,730
EBITDA, excluding sale of assets	5,613	8,527	6,595
Operating profit	-1,791	1,731	2,232
Profit/loss from investments in associates	-19	86	-22
Profit before tax	-4,858	240	105
Total assets	121,933	129,777	118,049
Equity including deferred tax liabilities	47,745	53,170	51,539
Cash and cash equivalents and short-term investments	3,566	6,297	2,786
Key non-financial indicators	2020	2019	2018
Number of employees	11,483	11,813	11,370
Percentage women (%)	28	30	30
Number of vessels (in emission reporting)	105	128	120
Total energy consumption in vessels (TJ)	12.3	13.6	13.1
CO ₂ emissions (1,000 tonnes)	3,315	3,636	3,504
NO _x emissions (1,000 tonnes)	81	82	79
SO _x emissions (1,000 tonnes)	6	28	27
Energy consumption (electricity + heating) Stena Property (MWh)	285,173	302,513	310,357



THE WHITE BOOK

Stena's success and survival are rooted in our business philosophy, which is set out in the White Book. The book describes how we should act within Stena and how we should approach our business. Dan Sten Olsson has said: "By describing the values we want to have at Stena, we ensure that everyone acts in the right way and that we take proper care of our customers, resources, and each other."

**HAVEN'T GOT A WHITE BOOK?
YOU CAN DOWNLOAD
A NEW COPY HERE:**

<https://whitebookportal.stena.com/>

INDEPENDENT BUSINESSES WITH A SHARED FRAMEWORK

Stena adheres to the principle of delegated business acumen, with decisions taken close to the business. By balancing independent businesses with a shared Group framework, we create a successful dynamic.

STENA AB is an active, responsible owner with access to the expertise necessary to create good development in values over time. Within Stena AB's organisation, through its own experience and partnerships, this expertise is gathered within business development, financing, reporting, HR, communication and procurement. Stena AB organises and encourages contact and collaboration between companies, in order to enhance the benefits of being part of a large Group.

WHITE BOOK WITH SHARED GROUP VALUES

Each business is responsible for its own profitability, but there are also a number of common denominators for conduct within the Group. In the White Book, the principles, beliefs and fundamental values applying to all companies in the Stena AB Group are to be found. Besides Stena's vision, mission and business idea, this sets out shared success factors and describes the Group's values. To ensure long-term value creation, the focus is not only on financial earnings; the goal is also to work for the next generation and contribute to lasting change.

BUSINESS ACUMEN

Each business is based on a clear business idea. The strategy to achieve the goal is based on delegated responsibility. Business knowledge is found in the companies, which is also where decisions are taken. While emphasising the importance of the independence and active business acumen of the business areas, the work in each business area must adhere to adopted systems and processes, so that Stena can guarantee good performance throughout the Group.

CORPORATE GOVERNANCE FOR GOOD BUSINESS

The main assignment of Stena ABs function for Corporate Governance is to ensure that the Group's operations are conducted in a sustainable, responsible and efficient way.

The work is based on two codes; the Code of Governance and the Code of Conduct, most recently updated in 2020. The Group's Code of Governance describes rules and responsibilities for the operations and contains a compilation of the existing steering documents. These include risk management, internal control, information security and compliance, among other things. The Code of Conduct describes the social norms, rules and responsibilities of the Group and contains guidelines for how employees and partners are expected to act.

An important part of the governance work is to review the internal control of the financial reporting, which is regularly reported to the Audit Committee under Stena AB's Board of Directors.

Another task is to assist the business areas in dealing with ever growing demands for corporate governance. Policies regarding corporate governance are established by Stena AB's Board of Directors and executed by the business areas.

SUSTAINABLE MANAGEMENT

Sustainability work at Stena is based on shared values and the SuSustainability process at the core of the entire Group's sustainability management.

The central sustainability department is responsible for holding the reins of the strategic sustainability work that takes place in the businesses, and reporting on the development to the Audit Committee under Stena AB's Board of Directors twice a year. Read more about SuSustainability on pages 32–45.

PRUDENT RISK MANAGEMENT

Shareholder value is created by accepting and managing risk on a responsible basis through effective risk management. The Group's stability is safeguarded by a deliberate strategy to focus on several different industries that face various risks, in contracyclical industries. Prudent risk management maintains confidence in Stena's ability to achieve its strategic ambitions, in line with its values and goals.

VISION

Our vision to "always be the customer's first choice and quality-assured partner" requires us to safeguard the company's and the world's resources. We contribute to this vision by participating in value-creating activities – often together with our customers.

MISSION

By maintaining good contact with our customers and the world around us we nurture our growing trust. By doing this we create more and better business – and more satisfied customers.

BUSINESS CONCEPT

- **By using our expertise**, we will make money from our business areas: shipping, ferry lines, offshore, real estate and finance. We will also continue to create new business areas for the future.
- **We will take care of** our most important long-term assets, our customers, in such a way that we contribute to their – and society's – positive development.
- **Never wasting** our own or the world's resources is a Stena trademark.

CUSTOMER RELATIONSHIP

- Always the customer's first choice
- Leader in quality and quality assured partners
- Always efficient and effective with our own and others' resources
- Clearly delegated business acumen

CORE VALUES

- Customer satisfaction
- Quality
- Dedicated employees
- Innovation
- Results

RAMPING UP THE TECHNICAL TRANSFORMATION

2020 was an extraordinary and challenging year. The pandemic has ramped up trends that can transform society, such as extensive digitalisation and new technologies. It has also been a speedier transition to a more sustainable society, with focus on climate change.

FOR STENA, THE PANDEMIC has accelerated the Group's technical development through the use of digital tools to maintain activities, as well as to continue the Group's work on developing a sustainable ship operation.

Today, more than 80 per cent of the world's transport of goods takes place by sea. According to Carl-Johan Hagman, Head of Shipping and Ferries, the development of new technology is optimising transport flows in completely new ways, with the integration of the various transport modes, including logistics centres, to rewrite the logistics maps. "E-commerce

requires shorter lead times and increased service. This gives commodity owners greater control of the entire chain, right up to the final customer. Customised solutions are in increasing demand as digital channels make us accustomed to individually tailored solutions and full transparency about who we are and where our interests lie. This online behaviour is spreading to other sectors and relations, and customisation is an ever-increasing demand. In the future, actual transport will probably be standardised, but customer solutions will be unique," says Carl-Johan Hagman.

TRANSPARENCY AND TRANSFORMATION

"Digital technology is facilitating and driving transparency. What we do and how we do it will reach many people. By being honest to ourselves, working to be part of the solution and making high demands of ourselves, we will outperform our competitors. By achieving good results, we can help the world," concludes Carl-Johan Hagman.



IMPACTS OF THE PANDEMIC

The pandemic severely affected Stena's financial performance.

The extensive travel and freight transport restrictions, combined with reduced demand for oil, had a great impact on many of Stena's activities, from both a customer and employee perspective. A number of companies were obliged to take restructuring measures and make redundancies. One positive consequence for Stena was that consumers have generally given high priority to their homes, leading to increased demand for kitchens and garden centre products. This affected Stena Adactum's Ballingslöv and Blomsterlandet holdings, and also Stena Property.

In the global fleet, many employees worked for extended periods onboards because countries closed their borders, making it impossible to change crews. Activities previously based on day-to-day physical meetings with customers had to develop into new ways of meeting and security procedures had to be expanded.

TECHNICAL DEVELOPMENT FOR SUSTAINABLE SHIPPING

Shipping is the mode of transport that releases the smallest volume of greenhouse gases per unit transported, and will continue to play an important role in the global economy, in a future sustainable society.

Today, shipping accounts for 2.5 per cent¹ of the world's total carbon emissions. In pursuit of reduced emissions, the technical development of more efficient vessels and route optimisation are as vital as finding solutions based on alternative fuels, such as battery operation, methanol and electrofuels, which in time can lead to the complete elimination of carbon emissions.

The introduction of global legislation and a level playing field for all operators are vitally important for the development of sustainable shipping.

1) According to the International Maritime Organization (IMO).



SUSTAINABLE SOCIAL DEVELOPMENT INITIATIVES

The Stena AB Group contributes to value creation and society's development by providing maritime transport of goods, vehicles and passengers, offering secure homes in the Group's properties, generating renewable electricity, and building strong companies. Long-term, active social development is achieved through cooperation and dialogue with the Group's various stakeholders.

EMPLOYEES

15,200

The Stena Group has around 15,200 employees worldwide. The employees are the basis for Stena's success, and their expertise and dedication drive the activities and contribute to society's long-term development.

VESSELS AND PROPERTIES

35



ROPAX VESSELS

12



RORO VESSELS

3



LNG VESSELS

74



TANKERS

3



SHUTTLE TANKERS

2



DRILLING RIGS

4



DRILLSHIPS

25,700



RESIDENTIAL UNITS

4,000



COMMERCIAL PREMISES

Stena's fleet totals 141 owned, chartered and managed vessels and drilling rigs. Ashore, Stena owns and manages a total of 29,700 residential units and commercial premises. A full list of all our vessels and properties can be found at stena.com

Erica Edvardsson,
Safety Controller, Stena Line.

THE GROUP'S stability and long-term viability benefit from the strategy of operating in different sectors that, today and in the future, together contribute to important functions in society. These activities create employment for many people all over the world.

Stena ensures sustainable value creation through its dedicated employees, who seek constantly to contribute to positive development for both our customers and society at large. Care, effective performance and innovation are Stena's key success factors – today and in the future.

STENA'S ROLE IN SOCIETY

Stena's activities contribute to connecting Europe by enabling people to travel and trade to flourish. They also provide society with:

- **SAFE EXPLORATION** and secure transport of energy resources and other important products on which our modern society relies.
- **WELL-TRAINED SEAFARERS** who make it possible for Stena's shipping activities and other shipping companies to provide safe and efficient maritime transport.

- **SAFE AND SECURE** homes of good quality for many families.
- **RENEWABLE ENERGY** and technical development in the maritime industry.
- **SECURE DELIVERY** of vital goods and services within different sectors.

Furthermore, Stena contributes to economic growth in the societies in which it operates via the taxes paid and employment for thousands of people all over the world.

STENA'S ACTIVITIES

STENA LINE

Operates ferry traffic as an important part of the European logistics network. Read more on page 12

STENA DRILLING

Owns and operates drillships and drilling rigs. Read more on page 16

STENA BULK

Owns, operates and controls 80 tankers in global traffic. Read more on page 18

STENA RORO

Builds and charters out vessels and provides technical expertise. Read more on page 20

NORTHERN MARINE GROUP

Provides marine services and manning globally. Read more on page 22

STENA TEKNIK

Develops future marine technology for Stena's shipping activities. Read more on page 24

STENA PROPERTY

Owns and manages 29,700 residential units and commercial premises. Read more on page 26

STENA ADACTUM

Long-term investment in listed and unlisted companies. Read more on page 28

STENA FINANCE

Builds financial strength and creates opportunities for the entire Group. Read more on page 31

Crew onboard
Stena Forth, Ghana.

CENTRAL ROLE IN EUROPE'S LOGISTICS NETWORK

When national borders were closed and travel restrictions introduced, ferry lines were severely affected. Stena Line reacted quickly by introducing a number of tough, but necessary, measures.

STENA LINE is one of the world's leading ferry operators, with 37 vessels serving 18 routes in Northern Europe. Stena Line also owns five ports and controls a further ten. The company is an important part of the European logistics network, offering intermodal freight solutions that combine rail, road and marine transport. With its extensive passenger services, Stena Line also plays an important role for tourism in Europe. The goal is to increase value for customers by offering affordable and flexible ferry transport.

REALIGNMENT OF ACTIVITIES

In mid-March 2020, Denmark, Germany and Poland closed their borders to incoming travellers. Soon, large parts of Europe did the same. The week after, Stena Line gave notice to 950 employees in Sweden alone. This was immediately followed by the decision to permanently close the Oslo–Fredrikshavn and Trelleborg–Sassnitz routes. More

redundancies followed in several of the countries in which Stena Line is active.

"We were forced to act quickly and take some really tough decisions. The company was losing money," comments MD Niclas Mårtensson.

"The closure of the passenger-intensive routes is also a consequence of how we in the future will focus on transport of freight and passengers and not offer any pleasure cruises," he continues.

In 2020, Stena Line's revenue fell by 27.5 per cent from the previous year, to SEK 10.4 billion. "To some extent, the effects of the loss of passenger traffic were offset by increased freight transport. We also had an opportunity to prove our important role in Europe's infrastructure and freight flows, in particular regarding transport of food and healthcare equipment. An example of this is that we during the year were responsible for all transport of oxygen gas to hospitals in Northern Ireland," says Niclas Mårtensson.

During the year, Stena Line continued to focus on increased digitalisation of its operations, using new technology such as Artificial Intelligence (AI) and machine learning to streamline activities and simplify and improve the customer experience. According to Niclas Mårtensson, this is vital for Stena Line's future competitiveness. "This facilitates the interconnection of every aspect of our activities – from ports to booking systems, pricing and operation – so that, in every moment and situation, we can optimise activities and create added value to our customers," he says.

"In overall terms, the measures we have taken have led to a 25 per cent reduction in the number of employees, reducing costs by SEK 1 billion. We now have a smaller suit, a lower cost base and less complex activities – which are also more scaleable. We therefore have every hope of a substantial performance improvement in 2021," says Niclas Mårtensson.

STRONGER PRESENCE IN THE IRISH SEA

Stena Line is well on the way to modernising its extensive fleet. New steps during the year included starting the construction of an additional two ferries at the Weihai Shipyard in China. These vessels will be delivered during 2022 as the last of five next-generation, energy-efficient and flexible RoPax ferries (ferries adapted for both wheeled cargo and passengers) that are designed and built together with Stena RoRo. The first three; *Stena Estrid*, *Stena Edda* and *Stena Embla*, were all put into operation in the Irish Sea during 2020–2021.



Sky bar, Stena Embla

”

Despite a difficult year as a consequence of the pandemic, we have proved the important role played by Stena Line in terms of interconnecting Europe and maintaining important goods flows.

Niclas Mårtensson, MD of Stena Line

31%

Share of
total income

10,400

Income, MSEK

5,200

Employees

20,300

Capital employed,
MSEK

29

RoPax ferries

8

RoRo ferries

Unloading at
the port of Dublin.

STENA LINE

The investment in the three new ferries proves the strategic importance of the Irish Sea operations to Stena Line.

During the year, the decision was also announced to strengthen operations in the Baltic Sea in 2021, by implementing two modern, extended RoPax ferries between Nynäshamn and Ventspils in Latvia. This increased this route's freight capacity by 30 per cent. Meanwhile, an additional two RoPax ferries between Travemünde in Germany and Liepāja in Latvia will increase freight capacity by 40 per cent and also reduce travel time. Today, the two routes, which have been operated by Stena Line since 2012, are an important link in the European logistics network by connecting the Baltic countries, Russia and Central Asian countries with Sweden, Germany and the rest of Europe.

Parallel to this, the port terminal in Nynäshamn was moved to the newly-built, modern Stockholm Norvik Port as an important element of the Baltic expansion plans. "We can see increased demand from our customers for marine transport in the Baltic Sea. This is an expanding region in which we already have a strong presence within both the transport and tourism sectors," says Niclas Mårtensson.

LEADING THE WAY TOWARDS A REDUCED CLIMATE FOOTPRINT

Stena Line's ambition is to be a leader within the ferry industry regarding sustainability. The shipping line continues to improve its energy efficiency and is currently ten years ahead of the shipping industry's international energy efficiency goal. Stena Line also continues to work actively to reduce its carbon emissions. An important aspect of this is the focus on new fuels and the electrification of both onshore and offshore activities. In December 2020, the first shorepower facility in the port of Kiel was opened, and Stena Line now connects to green shore power on its daily calls in the port. This means that around 40 per cent of Stena Line's ships are connected to green power at seven terminals in Sweden, Germany and the Netherlands. In overall terms, this reduces the shipping line's annual emissions by 13,000 tonnes of carbon dioxide, which is equivalent to the annual emissions from 7,200 medium-class passenger cars.

"Stena Line's electrification journey began back in 1989 in Göteborg, when we connected the first ship to shore power. *Stena Jutlandica* was rebuilt to a hybrid electrically-operated vessel in 2018, on the Göteborg–Fredrikshamn

Business partner comment:

During the pandemic, Stena Line has been a significant partner in keeping the supply chains running, including pharmaceuticals and supplies to the healthcare sector.

Michael Robinson, Port Director, Belfast Harbour

route. By 2030 the goal is to launch a completely fossil-free, electrically-operated ferry on the same route – *Stena Elektra*," says Niclas Mårtensson.

Earlier in the year, Batteryloop (Stena Recycling's subsidiary), DNV GL, and the ports of Kiel and Göteborg launched a project to investigate and assess future opportunities to reuse lithium-ion batteries from the transport and automotive industry in port-based energy warehouses, for recharging of electrical ferries or other electrical vehicles. The project runs for two years, partly financed by the EU.

STENA LINE'S SUSTAINABILITY PERFORMANCE

The safety of personnel, passengers and freight is always high on the agenda, with well-functioning procedures and follow-up in place. Stena Line also focuses on gender equality and equal opportunities for everyone, with the aim of increasing the proportion of female managers. In the energy field, the focus is on more efficient fuel consumption, the transition to fossil-free fuels and electrification. To a great extent, the reduction of CO₂ emissions in 2020 is related to the increased efficiency of the existing fleet, that two new-

buildings and more energy-efficient vessels were put into operation in 2020, and that two routes operating older tonnage were closed as a consequence of the pandemic. For Stena Line, caring for the planet's resources is a priority area, and the KPI for material recycling shows an increase during the year as a consequence of improved procedures and new waste suppliers in some ports. There were more oil spills in 2020 than in 2018–2019, and they were handled in accordance with current safety procedures and regulations.

Key figures	Goal	Unit	2020	2019	2018
Workplace safety at sea (LTIF ¹)	LTIF ¹ <1	frequency	1.7	1.9	1.1
Proportion of female managers	>30% 2022	%	20	20	19
Carbon dioxide emissions, CO ₂	–2.5% /nm /year	tonnes/nm	0.477	0.488	0.478
Material recycling	2.5% /year	%	41	37	33
Oil spills	Zero	number	4	1	2

1) Lost Time Injury Frequency (LTIF) is a measure of the workplace safety of the crew onboard. LTIF is calculated on a rolling 12-month period according to the following formula: Number of Lost Time Injuries, LTI (personal injuries that made the employee incapacitated for work the following day) x 1,000,000/total exposure hours (all time onboard including both working hours and rest time).

Stena Line focus on the following UN Sustainable Development Goals:





Stena Estrid

RIGS AND EMPLOYEES READY WHEN THE MARKET TURNS

The pandemic affected the offshore industry severely, causing many energy companies to defer long term investments, such as offshore prospecting. Stena Drilling decided to maintain the rigs that had lost their contracts in top condition and to have as many employees as possible ready in a standby group. As a consequence, all units have contracts for much of 2021.

STENA DRILLING IS ONE of the world's leading independent drilling contractors. The company is also a pioneer within several areas of technical development and innovation in the offshore industry, after several successful newbuilding and conversion projects. Today, the fleet comprises four drillships and two rigs, operating in a global market.

The global downturn for oil- and gas-related companies began in 2014, with the consequence that energy companies scaled down their investments, first of all for costly offshore drilling projects. Many sector participants maintained an optimistic outlook for the offshore market at the start of 2020. "This also applied to Stena Drilling.

At the start of the year, we held full-year contracts for much of our fleet. This all changed in the first quarter, when the global economy was hit by the pandemic and demand for oil plummeted," says Erik Ronsberg, MD of Stena Drilling.

There was also an aggressive price war between Saudi Arabia and Russia, which caused the price of this commodity to dive. In January 2020, the Brent oil price was USD 63/barrel, but the price dropped to USD 25/barrel at the start of April, which brought all prospecting activities to a standstill overnight. In combination with the existing surplus drilling units in the offshore industry, this led several of Stena Drilling's competitors to apply for Chapter 11.

RIGS IN TOP SHAPE AND PERSONNEL ON STANDBY

"Fortunately, *Stena Carron* could continue its assignment in Guyana, while *Stena Don* operated successfully up to the end of June. But the other rigs lost employment. To ensure the company's survival, we were forced to take the very difficult decision to make employees redundant. We nonetheless retained as many employees as we could in a standby group, and this gave us a real competitive advantage when new contracts were offered in the second half of 2020. We also kept our drilling units in top shape, with personnel onboard to ensure that maintenance procedures were followed. This enabled us to secure a number of contracts for 2021, so that we could rehire many of the employees we were forced to lay off, since the rigs were in good condition and ready for operation. We expect that 2021 will continue to be tough, but are still optimistic, with brighter prospects for 2022," says Erik Ronsberg.

One of the challenges arising from the pandemic, when everything closed down in March 2021, was bringing personnel home from their various assignments around the world. For the teams on *Stena Forth*, drilling off Peru, this resulted in a two-month voyage around the Cape of Good Hope to Gibraltar, and then on to the UK on a specially-chartered ship. Other personnel were stranded off the coast of Guyana, in some cases for over

STENA DRILLING'S SUSTAINABILITY PERFORMANCE

Stena Drilling operates in a tough environment with a constant focus on safety and minimising the risk of oil spills. Stena Drilling works actively to reduce CO₂ and NO_x emissions. The reduction of these emissions in 2020 is mainly a result of fewer operating hours compared with previous years, as a consequence of the pandemic.

Key figures	Goal	Unit	2020	2019	2018
Workplace safety at sea (LTIF ¹)	0	frequency	0	0.15	0.00
Oil spills	0	litres	2	101	1,921
Carbon dioxide emissions, CO ₂		tonnes	151,091	224,042	150,355
Nitrogen oxide, NO _x		tonnes	2,753	4,391	2,779

1) Lost Time Injury Frequency (LTIF) is a measure of the workplace safety of the crew onboard. LTIF is calculated on a rolling 12-month period according to the following formula: Number of Lost Time Injuries, LTI (personal injuries that made the employee incapacitated for work more than 3 consecutive days) x 1,000,000/total exposure hours (all time onboard including both working hours and rest time).

Stena Drilling focus on the following UN Sustainable Development Goals:



OUR BUSINESS

70 days, and the company really appreciated their patience during the attempts to bring them home.

SAFEST DRILLING COMPANY

Stena Drilling's goal is to be the safest and most effective drilling company in the industry. "We seek to play an active role in the necessary transformation when it comes to reducing our emissions and contributing to the transition to carbon-neutral activities. We gained ISO 14001 certification for environment management in 2019 and are now working to achieve ISO 50001 certification for energy management. This entails assessment of every aspect of our activities, from fuel saving measures and adaptation of digital technology, to employee training in energy efficient working methods," says Erik Ronsberg.

In order to increase efficiency and reduce vessels' fuel consumption and emissions, Stena Drilling has developed smart energy and emission meters, so that employees can monitor and reduce energy consumption in real time.

”

This provided us with a strong competitive advantage when new contracts were offered for tender, which means that we have been able to ensure that a major part of our fleet will be busy over the coming year.

Erik Ronsberg, MD of Stena Drilling

Stena Drilling is also known as a leader in the industry when it comes to safety. This is a strong competitive advantage in relation to oil companies, for which safety is a top priority. "We have a fantastic track record when it comes to preventing occupational accidents and we are continuously focused on improving safety," says Erik Ronsberg. *Stena Carron* has been accident-free for ten years, and *Stena Don* for eight years.

4%

Share of
total income

1,300

Revenue,
MSEK

920

Employees

16,600

Capital employed,
MSEK

4

Drillships

2

Drilling rigs

Mick Byrne and Karley Smith,
Stena Forth, Ghana.

PROGRESS WITH ALTERNATIVE FUELS

The great challenge of predicting the tanker market became highly apparent in 2020, which commenced with a first half-year in which demand set new records, only to plummet in September.

WITH A FLEET of 80 owned, managed and controlled tankers in global traffic, Stena Bulk is one of the world's leading tanker operators. The business idea is to offer secure, innovative and cost-effective marine transport of crude oil, refined oil products, chemicals and LNG (Liquefied Natural Gas). The strategy is to adopt a holistic perspective, from development and construction to technical operation, with the crewing and chartering of first-class tankers and LNG vessels.

RECORD-HIGH DEMAND IN THE FIRST HALF-YEAR

The tanker sector is affected by extreme volatility and low predictability, and

2020 was no exception. During the early spring, the oil price dived. As the pandemic spread across the world, it led to concern that the restrictions introduced would curtail demand, while oil production remained high. The price drop led many to stockpile oil – and once shore-based tanks were full, tanker shipping companies were hired in order to use ships to store oil. “The contract was for 3–6 months and expired at the end of September. This in turn meant that we enjoyed a record-high first half-year, far better than we could have foreseen, but then demand dropped abruptly in early autumn, while OPEC made significant reductions,” says MD Erik Hånell.

The vessels are operated in the spot

market, where demand during the year corresponded to the general tanker market, with high volatility. Stena Bulk reported an overall profit for the year.

PROGRESS WITH ALTERNATIVE FUELS

Stena Bulk is committed to leading the industry towards reduced carbon emissions. Several new initiatives in this area were presented during the year. In June, Stena Bulk completed its first voyage using biofuel from ExxonMobil. This trial once again shows the potential of biofuel as an alternative to conventional fuel for the operation of commercial vessels. “As a consequence of the successful biofuel trials, during the year we introduced the opportunity for our customers to

STENA BULK'S SUSTAINABILITY PERFORMANCE

For Stena Bulk, it is important to protect natural resources and the surrounding environment, with zero tolerance for oil spills as the objective. In 2020, CO₂ emissions increased from the previous year, since the operated fleet consisted of several large vessels (Suezmax), which use more fuel. Stena Bulk is involved in various initiatives to reduce carbon emissions, including trial runs with biofuel as the sole energy source in 2020. Global statutory

requirements for low-sulphur fuel brought a significant reduction of SO_x emissions, by 82 per cent in absolute figures compared to 2019. As from 2020, Stena Bulk reports EEOI and AER figures for its vessels. These are both good energy efficiency metrics, as they ensure comparability between years, despite changes in business volumes.

Key figures	Goal	Unit	2020	2019	2018
Sulphur oxides, SO _x (change from previous year)		tonnes/year	-10,924	0	-620
Carbon dioxide, CO ₂ (change from previous year)	-18,000	tonnes/year	55,876	0	-33,000
Oil spills	0	number	0	0	0
Energy efficiency (reduced fuel consumption)	-0.3	tonnes/day/vessel	0.43	0	-0.8
Laden/ballast ratio minimum	75/25 MR	MR vessels	74/26	75/25	75/25
Laden/ballast ratio minimum	65/35	Suezmax vessels	62/38	61/39	66/34
EEOI ¹ /AER ² MR	-2%/year	share	11.25/6.47	na	na
EEOI ¹ /AER ² Suezmax	-2%/year	share	6.91/2.45	na	na

1) EEOI – Energy Efficiency Operational Indicator refers to emissions in relation to transport work.

2) AER – Annual Efficiency Ratio refers to emissions in relation to the size of the vessel and the distance sailed.

Stena Bulk focus on the following UN Sustainable Development Goals:



choose fuel alternatives which reduce carbon emissions,” says Erik Hånell.

Another initiative is the further development of the Proman Stena Bulk joint venture, with an order for an additional methanol tanker. This vessel, the *Stena Prosperous*, together with the previously ordered *Stena ProMare* and *Stena ProPatria* – all three are being built in China – is planned to be put into operation in 2022. Proman Stena Bulk also has an option for a further two vessels. All vessels will be powered by methanol, reducing emissions of SO_x (sulphur oxides), NO_x (nitrogen oxides), particles and gases. “With methanol as our energy source, we can see a clear path to more sustainable sea tanker transport,” says Erik Hånell.

During the summer, Stena Bulk also presented a prototype for the next-generation product and chemical tanker, *IMOFlexMAX*, which will be powered by the sun and wind, among other things. This is estimated to reduce greenhouse gas emissions by more than 25 per cent, compared to other modern tankers. “*IMOFlexMAX* is leading the way to a more sustainable future as one of the most energy efficient tanker vessels in the market. It was designed by world-leading shipbuilders at Stena Teknik, based on our 40 years’ tanker shipping experience. Our strength lies in our capacity for innovation, combined with our longstanding accumulation of expertise,” says Erik Hånell.

” Business partner comment:

We view Stena Bulk as a first-class LNG shipping provider. Commercially and operationally, Stena are professional, transparent and a pleasure to work with.

James Allen, Director LNG Chartering, Cheniere Marketing Ltd

”

It's been a year of extreme volatility, yet we still achieved a profit for 2020.

Erik Hånell, MD of Stena Bulk

17%

Share of total income

5,500

Income, MSEK

460

Employees

6,800

Capital employed, MSEK

74

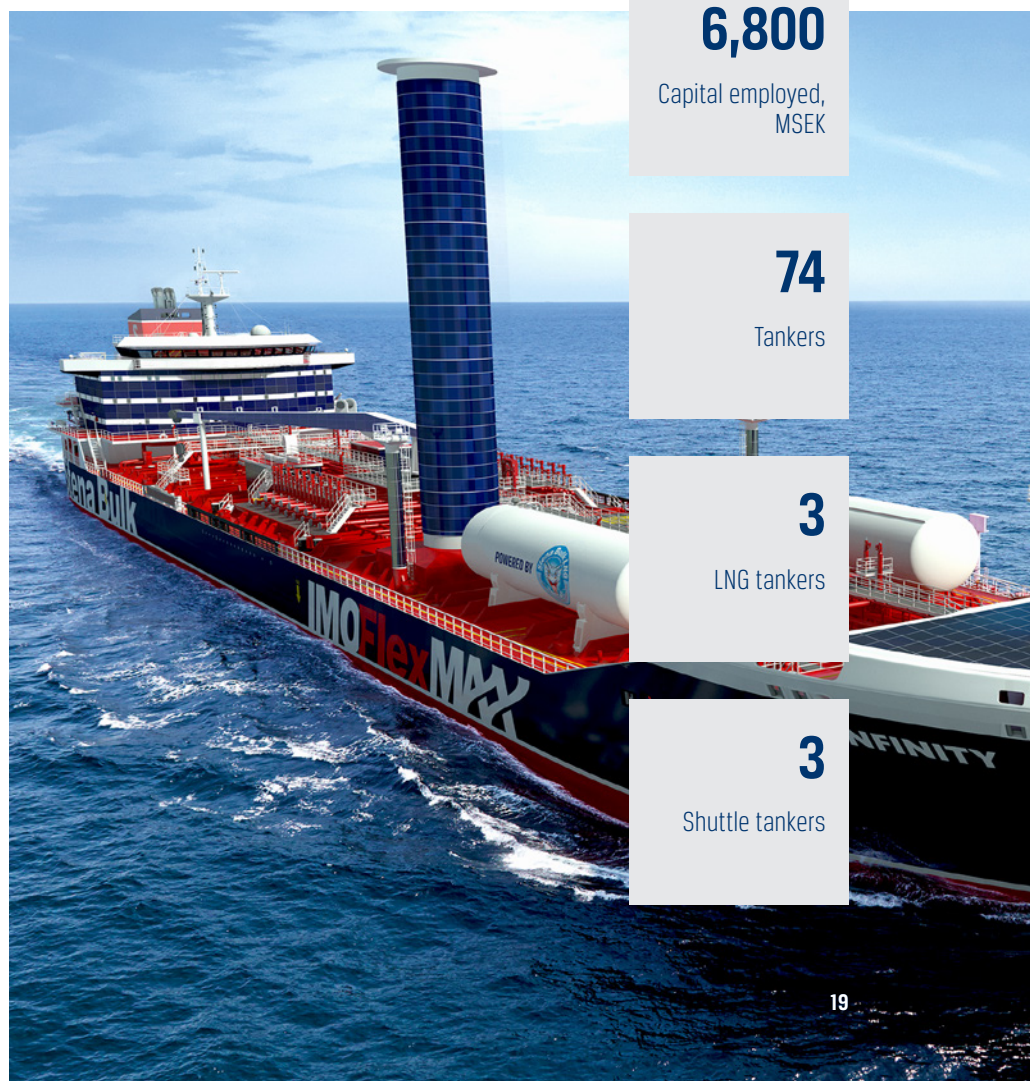
Tankers

3

LNG tankers

3

Shuttle tankers



FERRY CONVERSION AT RECORD SPEED

Stena Roro's main highlights in 2020 included delivery of three new ships from China – on time, on budget and in the right quality. They also included conversion of a ferry at record speed, as well as involvement in several other conversion projects. In addition, the successful trial voyage of the world's largest civilian hospital ship, *Global Mercy* – with planned delivery in 2021 – was carried out.

STENA RORO BUILDS AND CHARTERS out RoRo and RoPax vessels. RoRo vessels carry wheeled cargo, primarily lorries, creating bridges at sea all over the world. On the RoPax vessels, load capacity is combined with all of the facilities offered by modern vessels to their passengers. Currently, a number of vessels are chartered out to operators around the world; both to Stena Line and to external partners.

SUCCESSFUL CONVERSION PROJECTS

Activities include the construction of new vessels, and design and further development of existing vessels, in order to provide customised transport solutions. Stena Roro has been successful in these operations over the years, thanks to an active "SuStenability" strategy of buying ships

at advantageous prices, creating value through development, and achieving gains in the right market conditions. As an example, in the spring of 2020 and at record speed – only 3.5 months – Stena Roro converted *Stena Superfast X* into a night ferry operating between Marseille, Corsica and North Africa, on a ten-year contract with the French ferry operator Corsica Linea. The conversion took place at a yard in Piraeus, Greece, where Stena Roro's personnel stayed permanently from March to June, due to the travel restrictions. "They did a fantastic job," says MD Per Westling.

Other conversion projects during the year included the RoPax vessel *Stena Lagan* and the sister vessel *Stena Mersey*, both to be delivered during 2021.

”

I'm really proud that Stena Roro managed to maintain stable activities during the year, despite the challenges due to the pandemic.

Per Westling, MD of Stena Roro

The year also saw a successful trial voyage for the world's largest civilian hospital ship, *Global Mercy*, which will be put into operation in West Africa during 2022, by the Mercy Ships humanitarian organisation. "This is a fine example of our ability to adapt and customise RoPax vessels for special purposes," says Per Westling.

STENA RORO'S SUSTAINABILITY PERFORMANCE

Stena Roro holds ISO 14001 certification for environment management and therefore works systematically to minimise the environmental impacts of the vessels that are built, converted and chartered. Health and safety is also an important part of day-to-day operations, with established key figures in this area.

Key figures	Goal	Unit	2020	2019	2018
Workplace safety at sea (LTIF ¹)	<1	frequency	2.2	4.57	0.00
Oil spill	0	number	0	0	0

1) Lost Time Injury Frequency (LTIF) is a measure of the workplace safety of the crew onboard. LTIF is calculated on a rolling 12-month period according to the following formula: Number of Lost Time Injuries, LTI (personal injuries that made the employee incapacitated for work the following day) x 1,000,000/total exposure hours (all time onboard including both working hours and rest time).

Stena Roro focus on the following UN Sustainable Development Goals:



ACTIVITIES MAINTAINED – BUT PROFITS UNDER PRESSURE

During the year, Stena Roro succeeded in maintaining its activities, with the execution of several projects. The profit for the year was under pressure, however, from a weak charter market and the business area's takeover of three vessels from Stena Line in conjunction with the discontinuation of two routes. "It was difficult to keep these vessels employed, in view of the restrictions for passenger ferry traffic due to the pandemic. This meant that they were laid up for a major part of the year," Per Westling explains.

NEW VESSELS SETTING NEW SUSTAINABILITY STANDARDS

Stena RoRo's most extensive current initiative is the development of the new generation of RoPax vessels, called *Stena E-Flexers*, at the Weihai Shipyard in Northeast China. These vessels are 50 per cent larger than Stena Line's corresponding existing vessels in the Irish Sea, where the two first vessels operate. They are also setting a new sustainability standard within the RoPax segment and creating new benchmarks for emissions, costs and energy efficiency, since they can run on different types of fuel and be converted to run on gas fuels. Three of these vessels were delivered in 2020, of which two to Stena Line and one to Brittany Ferries. The pandemic and travel restrictions meant that Stena RoRo was unable to visit the yard and had to use other working methods. With the help of digital tools, delivery negotiations and the actual handover of the vessels, could take place. "It was a great joy and relief to deliver the vessels on time, on budget and in the right quality. This was due in particular to our good relationship with the yard in China," comments Per Westling. A further five vessels will be built at the Chinese yard, commissioned by Stena RoRo, with delivery in 2021–2023.

” Business partner comment:

*With **Global Mercy**, we will more than double our ability to provide hope and healing to many thousands of people by surgical intervention through the hospital on board. Equally important, this ship has been designed with training in mind and we will be able to provide quality training to members of the healthcare teams in the countries we visit.*

Jim Paterson, Marine Executive Consultant
Mercy Ships

1%

Share of
total income

500

Income, MSEK

150

Employees

2,700

Capital employed,
MSEK

4

RoRo vessels

7

RoPax vessels



DIVERSIFIED SERVICES ENSURE FUTURE COMPETITIVENESS

Despite the challenges in the wake of the pandemic, Northern Marine Group managed to continue its restructuring work during 2020. This involved a significant digital transformation in order to prepare for future business opportunities and to optimise the service offering.

NORTHERN MARINE GROUP (NMG), headquartered in Glasgow, provides technical, personnel and administrative services for vessel owners and crews in the Stena Group, and also to external customers in the marine and offshore industry.

NMG's considerable multinational pool of seafarers work onboard different types of vessels, in collaboration with experienced shore-based managerial personnel. NMG's extensive shore-based infrastructure comprises a wide network of offices, training centres and strategically located marine storage facilities offering global services.

ADJUSTMENT TO THE PANDEMIC

The Travel Management and Training

Services business areas were most severely affected by the pandemic, due to the drastic reduction in international travel, while the periodic lockdowns introduced in the UK affected opportunities to provide training. The Group's future competitiveness was boosted, however, by difficult, but necessary, personnel restructuring measures, and it was possible to execute business activities.

"The company generally managed relatively well, thanks to our strategically diversified service offering," comments Philip Fullerton, MD of NMG.

Another challenge arising from the pandemic was crew changes. NMG devoted considerable resources, energy and time to adapting processes in order

to ensure that crews could disembark from ships at the designated time. The business travel consultants at NMG played a decisive role in challenging conditions, in terms of guaranteeing safe transport at the right time for both seafarers and business clients. Regular communication between shore-based management and seafarers was vitally important.

SALE OF THE FIRST LNG TECHNOLOGY LICENCE

The Group's Jettyless technology facilitates LNG imports, offering energy to new markets without requiring a fixed infrastructure. This includes LNG transfer (ship to shore), regasification,

NORTHERN MARINE GROUP'S SUSTAINABILITY PERFORMANCE

Northern Marine Group is committed to reduction of environmental impact and enhancement of the fleet's health and safety performance. The company also uses "Retention Rate" as a key ratio to monitor its ability to retain employees. In 2020, the company continued to maintain ISM, ISO 9001,

ISO 14001, ISO 50001 and ISO 27001 certificates and successfully migrated OHSAS 18001 to ISO 45001:2018. Fuel consumption converted to MJ/tonnes nm increased from the previous year, due to the operation of more large vessels that consume more fuel, as well as fewer dockings during the year.

Key figures	Goal	Unit	2020	2019	2018
Oil spills	0	number	0	0	0
Port state control detention	0	number	0	0	2
Information security – data breaches	0	number	0	0	1
Workplace safety at sea (LTIF ¹)	<0.35	frequency	0.21	0.19	0.31
Occupational accidents, land-based operations	0	number	2	0	0
Retention Rate	>90	%	95	96	93.5
Fuel consumption	–2%	Reduction – Mj/tonnes/nm	+1.42	+3.88	–1.81

1) Lost Time Injury Frequency (LTIF) is a measure of the workplace safety of the crew onboard. LTIF is calculated on a rolling 12-month period according to the following formula: Number of Lost Time Injuries, LTI (personal injuries that made the employee incapacitated for work the following day) x 1,000,000/total exposure hours (all time onboard including both working hours and rest time).

Northern Marine Group impacts the following UN Sustainable Development Goals:





I am proud of the adaptability and resilience demonstrated by all of our offshore and onshore employees during what has been a challenging year.

Philip Fullerton, MD of Northern Marine Group

and power generation solutions through Stena's Jettyless Floating Terminal (JFT), Self-installing Regas Platform (SRP) or the Self-installing Power Plant (SPP). The JFT and SRP technology will be utilized for the first time in a major infrastructure project in southern Vietnam, assisting in the provision of energy to the area. Within the framework of the Jettyless LNG technology, the Group's Engineering area has created the design for small-scale LNG vessels, with focus on sustainable energy supply.

FOCUS ON SAFETY AND SUSTAINABILITY

NMG offers a full range of services within vessel management and marine service solutions, and ensures a continuous

global flow via safe vessel operation. The business focuses on safety and sustainability and seeks to optimise the fleet's performance in order to help its customers achieve their fuel consumption and emissions targets. During the year, NMG successfully switched to virtual safety training programmes. Five out of six safety training programmes for seafarers, with week-long courses, took place virtually. These initiatives received positive feedback from both participants and training officers.

In 2020, the Marine Supply area created a *Green Product Catalogue* with a sustainability focus. "We also focused on reducing plastic consumption, based on sustainable use both onshore and offshore. We also continued to evaluate cleaner energy solutions, including ammonia, methanol, LNG, batteries and hydrogen," says Philip Fullerton.

GROWTH PLANS

NMG's future strategy includes organic growth in the vessel handling activity, with larger customers and focus on additional gas and offshore assets. "We can also see a growing market share for our training in the marine area," says Philip Fullerton.

3%

Share of total income

900

Income, MSEK

4,500

Employees

600

Capital employed, MSEK

Crew onboard
Stena Sunrise.

LEADING DEVELOPMENT TOWARDS FOSSIL-FREE OPERATION

Digital stability testing and remotely monitored trial voyages. When travel restrictions suspended physical inspection of ship constructions in 2020, Stena Teknik used digital tools, its wide experience and know-how to verify the E-flexer vessel's displacement and centre of gravity, and also their speed/power ratio.

STENA TEKNIK IS A TECHNICAL RESOURCE for Stena's marine-related business areas, committed to increasing their competitiveness and developing techniques to operate the Group's vessels on a safe, environmentally friendly and effective basis. Stena Teknik plays an important role in achieving the vision of climate-neutral transport. The area is working intensively to optimise the design of existing vessels and new constructions in order to minimise fuel consumption and increase load capacity. There is great potential to optimise vessel construction by reducing the amount of steel used and thereby the total weight.

DEVELOPING THE WORLD'S MOST ADVANCED ROPAX VESSEL

One ongoing project is the development of battery-operated *Stena Elektra*, the world's most advanced RoPax vessel. *Stena Elektra* is estimated to be put into operation in 2030, with battery operation capacity for 50 nautical miles, which is the route between Göteborg and Fredrikshamn. Lightweight construction materials will be used, with elimination of anything that is not necessary for the vessel's operation in order to reduce the weight as much as possible. The vessel will also have a more flexible structure, which can be adjusted quickly, depending on the distribution of demand between freight and passengers.



"During the year, we've examined potential collaborations with both industry and academia to find solutions that make the vessel as lightweight and efficient as possible. This project is important for Sweden in terms of gaining know-how about battery operation. We've also been in dialogue with energy suppliers, who have promised solutions to the challenge of charging the extensive battery capacity required," says Technical Director Harry Robertsson. So far, battery operation has been tested on Stena Line's vessel, *Stena Jutlandica*. Installation of batteries is now being assessed for both new orders and existing vessels and offshore units in Stena's fleet.

NEW VESSEL INSPECTION SOLUTIONS

The travel restrictions due to the pandemic meant that Stena Teknik had to suspend its planned physical inspections of Stena RoRo's new E-Flexer vessel as a RoPax model, which is being built in

China and which will be the most energy efficient of its type. Stena Teknik has contributed to developing these vessels, which are built to run on different types of fuel and are also equipped for cleaning equipment such as scrubbers and catalytic cleaning.

"Thanks to sound preparatory work, we succeeded with our inspections of the vessels delivered during the year, including stability testing and remotely-monitored trial voyages, using digital tools," says Harry Robertsson. He adds that Stena Teknik will open an inspection office in China during the spring in order to monitor the construction of the product tankers for methanol transport ordered by the Proman Stena Bulk joint venture. At the end of 2020, a bunker vessel for Stena Oil was delivered.

INVOLVEMENT IN EU PROJECT TO INCREASE FIRE SAFETY

Besides leading the development of fossil-free vessel operation, Stena Teknik is also focused on improving safety onboard, in particular fire safety. "We're proud to have been selected to take part in a noteworthy EU project – Lash Fire – aimed at enhancing fire safety onboard," says Harry Robertsson.

OUR BUSINESS

”

Using digital tools, we succeeded in performing remote inspections of the vessels delivered during the year.

Harry Robertsson, Technical Director, Stena Teknik

7

Newbuilding projects

20

Employees



Stena Estrid

SUCCESSFUL YEAR WITH FOCUS ON NEW PROJECTS

With extensive investments in new homes and offices in the Swedish metropolitan regions, Stena Property continued its ambitious growth plan during 2020, which was a successful year in terms of occupancy rate and sale of owner-occupied flats.

STENA PROPERTY is one of Sweden's largest private property companies. It owns and manages approximately 2.5 million square metres in around 25,700 residential properties, and 4,000 commercial premises in the metropolitan regions of Stockholm, Göteborg and Malmö. The portfolio also consists of commercial properties in other countries. The majority of these properties were sold at the end of January 2021 as part of a restructuring of the international property portfolio. The occupancy rate for the holdings in Sweden was 98 per cent in 2020, and for holdings abroad it was 91 per cent.

During the past year, Stena Property received a number of awards, including a Sweden Green Building Award for new Masthuggskajen in Göteborg, a design award for Folkets Hus in Fisksätra, and appointed Property Manager of the Year under the Real Estate Øresund Award.

FOCUS ON RELATIONSHIP MANAGEMENT

In 2020, Stena Property celebrated the 20th anniversary of its "Relationship Management" concept, which ranges from creating a safe physical residential environment to collaboration with other actors to develop both residential areas and individuals. "Caring for people and

the environment creates value for our portfolio and we are continuously looking for new ways of increasing well-being and people's pride in their homes. During the year, we had extra focus on creating summer positions for young people, for instance. With 356 such jobs, we recorded an all-time high for these. Besides property maintenance, their task was to organise outdoor activities to engage children and other young people during the summer holidays. Our own personnel were also involved in this," says MD Cecilia Fasth.

STENA PROPERTY'S SUSTAINABILITY PERFORMANCE

Stena Property ramped up its sustainability work in several areas during the year. They also exceeded its 2020 targets for electricity, heating and water. Stena Property introduced an improved calculation method for CO₂ emissions during the year, which means that the CO₂ emission figures for

2019–2018 have been updated on the basis of the new calculation method. The reduction of CO₂ emissions for scope 1–2 during 2018–2020 represents actual savings as a result of e.g. the transition to green electricity. The reduction in emissions for scope 3 is a consequence of a lower activity rate in 2020.

Key figures	Goal	Unit	2020	2019	2018
Electricity consumption	–30% in 2010-2020, outcome –38%	kWh/m ²	18.6	20.5	21
Heating consumption	–30% in 2010-2020, outcome –30%	kWh/m ²	80.6	109	119
Water consumption	–20% in 2010-2020, outcome –21%	m ³ /m ²	1	1.4	1.5
Security ¹	82	%	na	77.5	na
Total climate footprint	–50% to 2030	tonnes CO ₂ -e	74,423	97,572	112,583
Scope 1 – cars (mileage, service vehicles and company cars) and any leakage from refrigerant			78	181	219
Scope 2 – energy consumption as electricity, heating and cooling of the properties			7,840	12,060	18,541
Scope 3 – completed projects relating to new production, renovation, management, business travel, waste, and residents' energy consumption			66,505	85,331	93,823

1) Security is measured via Aktiv Bo, Stena Property's customer survey, with 58.9 per cent of customers contacted responding in 2019 (base of around 11,000 households). The survey is run every second year.

Stena Property focuses on the following UN Sustainable Development Goals:



MORE THAN 1,000 NEW HOMES PER YEAR

Stena Property continued to expand strongly in 2020, with focus on several large new projects. These include residential units and offices that are being constructed on a new peninsula at Masthuggskajen in the classical Stena area in Göteborg, the unique district being created in SKF's historical area in the same city, and the new Vega district in Haninge, south of Stockholm. Initiatives during the year also included the commencement of the conversion of a school in Fisksätra, one of the most important elements of the development of this Stockholm suburb, as well as a new sheltered housing scheme for the elderly in Tynnered, Göteborg. In 2020, a new office property in France was also inaugurated. Parallel to this, almost 1,100 existing homes were renovated. "Our ambitious plan is to continue to grow by around 1,000 homes per year," says Cecilia Fasth.

STRONGER SALES

In some of Stena's properties, the ground-floor space is rented out to small enterprises, such as restaurants and travel agents. These sectors were affected severely by the pandemic, and Stena Property made intensive efforts during the year to support these enterprises with rent discounts, for example. This revenue loss was offset by stronger sales of owner-occupied flats than expected, so that the business area returned a profit in line with the budget.

HOLISTIC APPROACH TO SUSTAINABILITY

Stena Property has a strong track record within social responsibility and is now raising the bar in the environmental area, with the goal of halving CO₂ emissions by 2030, compared to the 2018 level. "To achieve this goal, we're reviewing everything we do, from only using renewable district heating to introducing electrical service vehicles," says Cecilia Fasth. In the operation primarily renewable electricity is used. There is naturally a strong focus on the newbuilding projects that are Stena Property's largest source of emissions.

”

To achieve this goal, of halving CO₂ emissions by 2030, we review everything we do, from solely using renewable district heating, to switching to electrical service vehicles.

Cecilia Fasth, MD of Stena Property

In 2010, Stena Property set the goal of reducing energy consumption by 20 per cent up to 2020. The reduction of energy consumption since 2010 is equivalent to the annual household electricity consumption of a town with a population exceeding 30,000. "We're proud that we've actually exceeded the goal during this ten-year period, by reducing heat consumption by 30 per cent, electricity consumption by 38 per cent, and water consumption by 21 per cent. Now we're taking on this new challenge of halving CO₂ emissions by 2030," comments Cecilia Fasth.



11%

Share of
total income

3,700

Revenue,
MSEK

370

Employees

40,900

Capital employed,
MSEK

25,700

Residential
units

2.5M m²

Owned and
managed portfolio

4,000

Commercial
premises

HOME DIY PROJECTS INCREASINGLY POPULAR

The kitchen brand group Ballingslöv International, bathroom furniture manufacturer Svedbergs, and Blomsterlandet were the winners among Stena Adactum's holdings in 2020. The parts of the operations aimed at private homes offset the challenges faced by holdings targeting the B2B market.

STENA ADACTUM is Stena AB's wholly-owned investment company. The investment model is based on acquiring companies with good potential for growth and profitability, and then taking the next step of developing and strengthening their operations as an active partner. The strategy is long-term. Many holdings – such as wholly-owned Ballingslöv International, Blomsterlandet and Envac – have been part of the portfolio since the early 2000s, when Stena Adactum was established. Today, the portfolio comprises nine companies with a revenue totalling around SEK 17 billion. From the start, there has been sound value growth. The portfolio has a market value of SEK 10 billion.



Envac offers automated waste management systems.

Stena Adactum's single largest holding is Ballingslöv International, which comprises seven kitchen brands. Ballingslöv is among the year's best performers, due to the increased interest in houses and homes. Another portfolio company, Blomsterlandet, also saw a strong sales increase. "In overall terms, we achieved a sound operating profit for 2020, as sales increased for the home-oriented elements of our activities, which offset the challenges faced by holdings that target the B2B market," says MD Anders Wassberg. Besides Gunnebo, this category includes Envac, a world leader for automated waste disposal systems, and the high-tech company Beijer Electronics. During the year, Captum, a consumer credit provider, refocused its activities towards kitchen customers of Ballingslöv International's brands, which boosted its results.

MAJOR STRUCTURAL CHANGES DURING THE YEAR

Anders Wassberg took up the position as MD of Stena Adactum in October 2020. Prior to this, he was CEO and President of Ballingslöv International. "Together, we've drawn up overall plans for each company in order to achieve our ambitious goal of doubling the value of our holdings every five years. This will be achieved through organic growth and acquisitions," he says.

One of the year's large transactions for Stena Adactum was the delisting of Gunnebo together with Altor. Gunnebo is a global provider of security products,

services and solutions, with companies in around 25 countries, and a presence in an additional 100 markets. "Since Gunnebo's customers include major infrastructure providers, such as airports, the past year was tough. The products are highly relevant, however, and we can see great potential for the security solutions offered, such as access control and secure storage," Anders Wassberg comments.

CLEAR SUSTAINABILITY PROFILE

Sustainability plays a key role for Stena Adactum. Part of the operations consists of using active ownership and board activities to influence the portfolio companies, and also to share knowledge within this area between the companies. "Many of our holdings also play a vital role as major employers in small towns," says Anders Wassberg. In addition, several of the holdings have a clear environmental profile. These include Stena Renewable, which owns and operates 113 wind turbines with energy production of around 875 million kWh, equivalent to the cities of Lund and Malmö's annual consumption of household electricity. In total, the company also builds an additional 88 wind turbines with production exceeding 1,100 million kWh. Envac also has a direct sustainability offering through its automated waste management systems.

In the year's edition of the Swedish business paper Dagens Industri's (Di) "Sustainable companies" ranking, Midsona received shared first place in

OUR BUSINESS

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The goal is to double the value of our total holdings every five years.

Anders Wassberg, MD, Stena Adactum

22%

Share of total income

7,200

Revenue, MSEK

2,700

Employees

6,700

Capital employed, MSEK

Ballingslöv International have their own sustainability report. Read more at ballingslovinternational.com

STENA ADACTUM

the everyday commodities category. The company is also one of nine companies in Di's "Sustainable portfolio", i.e. companies that match their business model to a sustainable world. Ballingslöv International has also come far in its sustainability work – from circular design in product development, via careful selection of materials and care for resources, people and society, to the products' actual CO₂e footprint. This supports customers in making informed choices and building a more sustainable lifestyle. Blomsterlandet has the ambition to drive sustainability in the horticultural industry. During the year there was strong focus on increasing the ratio of own-produced electricity by installing solar panels on its properties. In the garden centres, efforts continued to help customers to make sustainable product choices, contributing to higher sales of garden products that benefit biological diversity. The icon shown below to the right is intended to guide consumers.



For some years there has been an online sustainability education programme for all employees in Blomsterlandet, as part of the introduction scheme for new employees. The programme describes how Blomsterlandet works with sustainability from supplier to garden centre. An important aspect is how personnel can help and guide customers to make sustainable choices, such as buying plants that attract pollinators, in order to strengthen local biological diversity.

BLOMSTERLANDET'S SUSTAINABILITY PERFORMANCE

Blomsterlandet is a wholly-owned subsidiary of Stena Adactum that is subject to statutory sustainability reporting requirements, therefore more detailed sustainability information is reported for this holding. To reduce the company's greenhouse gas emissions, the ratio of renewable energy has been increased and energy performance has been improved for the

properties. In order to reduce the total energy consumption in store and office areas, investments have been made in LED lighting, and 50 per cent of the stores had LED lighting by the end of 2020. Furthermore, solar panels were installed at three properties in 2020.

Key figures	Goal	Unit	2020	2019	2018
Greenhouse gas emissions (CO ₂ e emissions, scope 1 & 2) ¹	Reduced emissions by 15% in 2018–2023 (585 tonnes/CO ₂ e in 2023)	Tonnes/CO ₂ e	689	734	689
Energy consumption per m ² in shop and office areas (kWh/m ²)	Reduced energy consumption by 15% in (160 kWh/m ² 2023)	kWh/m ²	188	191	187
Number of own properties with solar panels/ geothermal energy systems installed	20% self-generated electricity and heat before 2023 (10 properties 2023)	Number of properties	3	1	0
Proportion of recycled material	Recycled material as a ratio of total waste must be 30% by 2023	Percentage	28	23	17

¹ Previously reported figures for 2019–2018 have been adjusted from the previous reduced climate impact through changed modes of transport, to include CO₂e emissions in scope 1 and 2 as from 2020.

Blomsterlandet focus on the following UN Sustainable Development Goals:



FOCUS ON FINANCIAL STABILITY

Successful refinancing at the beginning of the year combined with a new five-year credit facility were among the measures completed by Stena Finance in 2020. The aim was to ensure access to capital for Stena's activities for many years to come.

STENA FINANCE'S MAIN TASK is to manage the Stena AB Group's financing and liquidity planning in both the short and long term. Stena Finance manages the operational business units' financial risks regarding interest rates, currencies and oil markets, and also manages the Group's financial investments. Another important role is to serve as a resource for the operational units on the identification, analysis and achievement of new business deals. Stena is a capital-intensive company with several business units that operate in markets subject to a risk of sudden fluctuation – which was further amplified in 2020 when the pandemic made its mark on both ferry traffic and oil companies.

TURBULENT YEAR

"This was a turbulent year. It began with our highly successful refinancing at the beginning of the year, when we ran a roadshow to meet investors in New York, London, Stockholm and Oslo. There was very high demand for our bond issue,

which totalled USD 700 million, compared to the expected USD 615 million. We were lucky to be so successful, as it did not take long before the pandemic caused financial markets to plummet and also inflicted a downturn on some of Stena's activities," says Peter Claesson, Director of Finance.

In April and May, Stena Finance worked intensively to further strengthen liquidity, in order to meet the challenges faced by the Group. "Among other things, we sought to map how much liquidity we needed – and which additional safety margins were required taking into account the impact of the pandemic. The aim was to achieve financial stability," comments Peter Claesson.

FINANCING OF NEWBUILDINGS

During the year, Stena Finance also continued to work on the financing of nine vessels in total, ordered from yards in China by various Stena business units. "Each and every one of these vessels is an extensive investment. Despite

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We proved that the organisation can act quickly, reduce costs and obtain additional liquidity when necessary.

Peter Claesson, Director of Finance,
Stena Finance

tougher conditions in the loan market, we achieved good financing solutions," Peter Claesson comments.

"Thanks to the measures taken during the year we've managed to ensure good working conditions for a long time to come. Our financial strategy to focus on high liquidity has proved its worth. As always, the focus going forward is on strong liquidity, positive cash flows and continuing to work to achieve the best possible returns on our financial assets," he continues.



Photo: Steven Tarbox/NI Ferry Site

STEERING TOWARDS A SUSTAINABLE FUTURE

Dramatic economic downturns, strong technological development and greater focus on sustainability issues, politically, in business and industry as well as among consumers, are changing the world around us at an ever faster pace.

COMPANIES WITH THE AMBITION to lead the transformation to a more sustainable society are facing increasing demands from stakeholders. Stena has the goal of ensuring relevant and business-based sustainability work in all of its activities, based on their various circumstances. Below is a description of some clear trends that are important to Stena.

CLIMATE CHANGE AND SOCIETY'S PHASING-OUT OF FOSSIL FUELS

Climate change is no longer mainly a question of carbon emissions, but is now an element of a major systemic transition to long-term sustainability, with success depending on the phasing-out of coal and oil.

Stena's dependence on fossil fuels is the company's greatest sustainability challenge and risk. Society's phasing-out

of coal and oil, the European Green Deal and the EU's 2050 climate neutrality target are assessed to have a great impact on Stena's activities.

Stena has sought for a long time to minimise carbon emissions and actively participates in developing new, climate-smart technology. Stena is also aware that more needs to be done to address the transition to renewable fuel and electrification.

INCREASED FOCUS ON SOCIAL RESPONSIBILITY

During the past year, there has been increased focus on social responsibility and people in vulnerable situations. One example is the worldwide *Black Lives Matter* movement. An increasing number of companies is also working more actively with human rights and social stability. Issues related to human rights,

anti-corruption and social instability have a great impact on Stena's activities.

Stena Property has a strong, longstanding position in the area of social responsibility and, besides its own initiatives, supports efforts of various organisations in civil society and in academia.

TRANSPARENT REPORTING

Another clear trend is the expectation of greater transparency via social media and other communication channels, and more stringent corporate reporting requirements from the financial sector, among others, whereby frameworks based on the effects of climate-related risks have a greater impact on business and industry. Another framework with a financial aspect is the new EU taxonomy, which will affect corporate reporting. Stena is working actively to fulfil the more stringent reporting requirements.



CARE IN EVERYTHING WE DO

Stena takes a long-term approach in order to ensure that it creates sustainable value by providing services to society that are relevant both today and in the future.

STENA'S SHARED Group sustainability process, SuStenability, aims to ensure a clear direction and structure, with shared processes and follow-up for all business areas. The principle of delegated business acumen within Stena, with decisions being taken close to the business area, is well-integrated in SuStenability. This contributes to increased commitment to sustainability initiatives by leveraging business opportunities, knowledge and experience the various business areas. In 2020, these issues were more closely integrated into most business areas in order to meet the growing interest in sustainability issues.

SHARED GUIDELINES

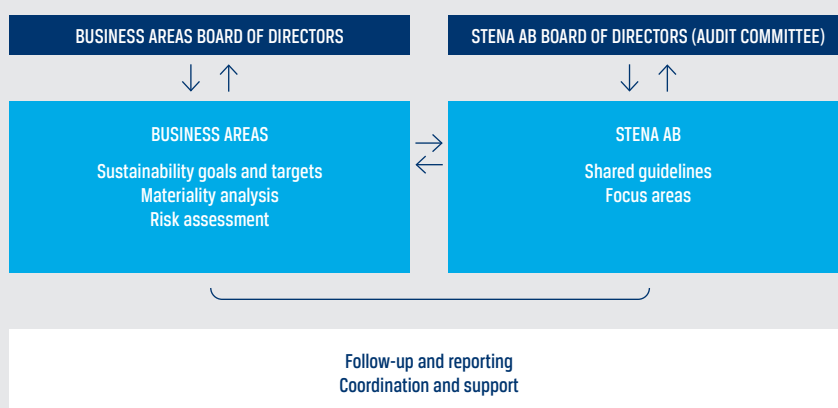
Stena's code of conduct and shared Group policies are the basis and the benchmark for all business areas. All shared policies were reviewed in the spring of 2020 and an updated, Group-wide code of conduct was published in May.

Stena's code of conduct sets out guiding principles for activities related to such issues as the environment, social conditions, personnel, human rights and anti-corruption. It also concerns relationships with business partners, and how Stena reserves the right to withdraw from a relationship if a partner does not live up to good business conduct.

Overall Group policies are available to all employees on Stena's intranet. When required, the individual business areas have their own policies that are matched to their activities and the settings in which they operate.

All employees are expected to have read and familiarised themselves with the code of conduct and shared policies. The code of conduct is an integrated element of the employment contract and part of the introductory programme for new employees. At the end of November 2020, mandatory e-learning-based training, with each session focused on one shared policy, was introduced.

SUSTAINABILITY – STENA'S SUSTAINABILITY PROCESS



Stena's SuStenability process ensures that the Group's sustainability work adheres to a clear structure and comprises the following elements:

- **Shared guidelines** comprising the vision, code of conduct and policies for how Stena's business areas are to act in a social and environmental responsible way.
- **Focus areas and sustainability goals** whereby Stena's business areas set goals within the framework of the Group's four focus areas: environment, safety, employees and community.
- **Analyses of material sustainability issues and risks** are based on the business areas' business models and value chains, and their impact on sustainability on society in general.
- **Follow-up and reporting** take place in the business areas, which are responsible for compliance with guidelines and policies, and for following up on goals and areas for improvement. Stena ensures that the business areas report according to plan.
- **Responsibility for coordination and support** is held by Stena, which also contributes inspiration, training and networking, as well as the sharing of experience between the business areas.

SUSTAINABILITY MANAGEMENT

The aim is to increase knowledge of the guidelines for Stena's activities and thereby provide guidance to both the employees and the operation.

FOCUS AREAS AND GOALS

The Stena Group has four focus areas as the basis for strategic sustainability work going forward. The four focus areas are the environment, safety, employees and community.

At the start of 2021, each business area shall have at least one goal linked to each of Stena's focus areas. This gives a clear picture of the sustainability activities within the Group. One consequence of Stena's development of its performance management is improved and more pronounced focus on gender equality, with goals for all business areas – primarily concerning succession planning and new recruitment.

MATERIAL SUSTAINABILITY ISSUES

Materiality analyses are performed in the business areas, based on the companies' respective value chains and general impacts on society. In the work of identifying material sustainability issues, account is taken of external stakeholders' perspectives. Stena's stakeholders are multifaceted and include residents, suppliers, logistics companies and some of the world's largest global energy companies.

The results of the materiality analyses are the basis for the selection of measurable outcomes and performance indicators, that are relevant for each business area. In summary, the material sustainability issues for the various business areas are possible to map within the framework of the Stena Group's four focus areas.

Most of the business areas reviewed their materiality analyses in 2020

(updated every second year). In many cases, this confirmed that their most significant areas are still valid, but in some cases they required updating and supplementing, primarily due to new circumstances related to the pandemic.

Materiality analyses with related goals and performance indicators are approved and followed up by the companies' management groups and boards. This is also reported centrally to Stena AB. Depending on the metrics, there is follow-up on a monthly, quarterly or annual basis.

IDENTIFICATION OF SUSTAINABILITY RISKS

Stena has a well-established risk analysis method. In each business area it is based on consensus and dialogue between the persons responsible for the business area's overall risk analysis and the persons responsible for analysis of sustainability risks. Analysis concerning sustainability risks is performed by the business areas' sustainability officers and approved by the management group. The analysis for sustainability is based on risks related to environmental, personnel and social conditions, human rights and anti-corruption. The analysis is performed once a year and focuses on sustainability risks related to Stena's activities and value chain and, where relevant, Stena's business contacts, products and services.

REPORTING AND FOLLOW-UP

If an employee discovers something that violates applicable legislation, or Stena's code of conduct, values or policies, there is a whistleblower function to report the incident, based on full anonymity. The service is provided by an external partner and all information is encrypted, as an additional security measure.

Stena's whistleblower policy is available to all employees on Stena's intranet, together with instructions for the reporting steps that employees are encouraged to take when notifying suspected irregularities.



Captain Neil Whittaker
onboard Stena Embla.

Twice a year, an overall report on sustainability activities is presented to the Audit Committee under Stena AB's Board of Directors. This puts sustainability work on the agenda, and the Board of Directors is kept informed of the ongoing activities. Follow-up on sustainability work by the business areas' own boards will be further developed during 2021.

SUSTAINABILITY NETWORK

Stena has a central sustainability department to support its activities. Each business area has a sustainability coordinator who is responsible for promoting the internal work. Together these functions form the SuStenability network.

The coordinators and the central sustainability department meet two to three times a year, to exchange experience and training in the area.

SUSTAINABLE ACTIVITIES

Under each business area you can read more about Stena's activities to ensure a sustainable future.



FOUR FOCUS AREAS TO GUIDE STENA FORWARD

The issues defined here as the most important for the Stena AB Group concern the environment, safety, employees and community.



ENVIRONMENT

Target: To contribute actively to the effective use of the planet's resources and reduce the negative environmental impact.



EMPLOYEES

Target: A corporate culture based on care and inclusion.



SAFETY

Target: Zero vision for occupational injuries and diseases.



COMMUNITY

Target: To be an active community participant, creating value for society.

**VISION:
CARE IN EVERYTHING
WE DO**

TECHNOLOGICAL DEVELOPMENT FACILITATES TRANSITION TO RENEWABLE ENERGY



A key aspect of Stena's sustainability work is to minimise negative environmental impacts, to always seek to use the planet's resources wisely and also to contribute with new solutions for the sustainable transformation of society.

THIS WORK INCLUDES minimising emissions to air, land and water, increasing energy efficiency and the conversion to renewable energy and fuel, and contributing to new technical innovation and circular solutions.

CLIMATE CHANGE AND USE OF FOSSIL FUELS

Stena's greatest sustainability challenge and risk is the activities' reliance on fossil fuels and related carbon emissions. There are legal, market-related and financial risks.

Stena's shipping operation faces increasing requirements from customers and the financial market for energy efficient transport and transparent reporting of emission data. Stena RoRo views the fleet's energy use as an increasingly important competitive advantage. Stena Property's total climate impact depends to some extent on how successful it is in motivating residents to make an active contribution in this work.

Stena handles the risks in this area through conversion to fossil-free alternatives, such as renewable fuel and electrification, and by minimising emissions of greenhouse gases through initiatives to improve and streamline energy use in all business areas.

An increasingly important success factor is sound collaboration with players in the value chain and with society in general.

EMISSIONS TO AIR, LAND AND WATER

Stena's activities must always fulfil, or preferably exceed, requirements in national or international regulations and agreements concerning emissions to air, land and water. Risks in this area include that applicable new laws and regulations may increase the costs of emissions.

Stena counters risks related to the use of sulphur-containing fuel and related emissions, as well as discharges to water from hull paint, primarily by using environmentally friendly hull paint and switching to cleaner fuel. Major sulphur emission reductions were achieved in the global shipping industry in 2020, when the IMO's decision on stricter sulphur-content in marine fuel requirements entered into force. The statutory requirement is a global reduction of the maximum sulphur content in marine fuel from 3.5 per cent to 0.5 per cent.

Emissions to water such as oil spills are an important issue and a major potential environmental risk for Stena's shipping activities. The risk of emissions from any of Stena's vessels is small, but the consequences could be fatal.

In Stena Bulk's activities there is a risk of collision, with hull damage leading to oil spills, which could have major environmental consequences and a negative impact on Stena Bulk's credibility. Stena Bulk handles this risk by continuously training its personnel, and a Ship Oil Pollution Emergency Plan (SOPEP), which has been created for the entire tanker

industry, is kept updated with regular crew drills on how to handle any oil spills.

WASTE HANDLING AND RECYCLING

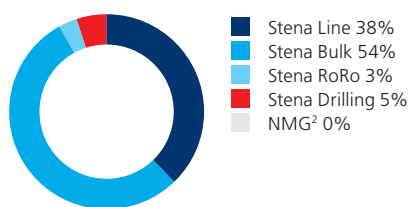
Waste handling in Stena's activities is related to various types of regulation, such as requirements for sorting into different fractions, as well as waste handling for land fills and the occurrence of hazardous waste. There are both legal and financial risks related to inadequate waste management.

Waste handling and sorting at source are at the top of Stena Property's agenda, since society's sorting requirements and the related costs in this area are key issues. Encouraging and supporting tenants to sort their waste at source is vitally important.

Blomsterlandet also works actively to increase the ratio of recycled materials in all of its stores. For example through staff training, purchase of sorting equipment and by only providing paper bags for customers in stores.

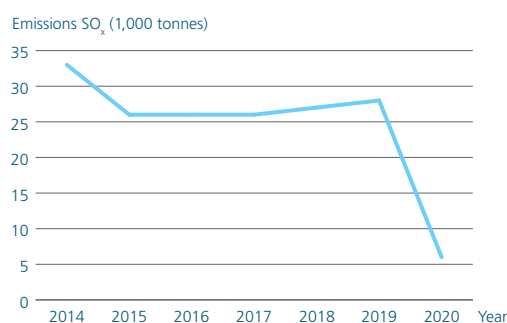
For Stena's shipping activities, the environmental conditions at yards where vessels are recycled are important. To handle these issues in maritime activities, Stena has a Group Ship Recycling Policy.

Stena handles risk in this area by continuously assessing and reviewing opportunities for better waste handling and recycling in all of its activities. Several business areas hold ISO 14001 environmental management certification whereby e.g. waste handling is managed through clear processes.

SHIPPING OPERATIONS' CO₂ EMISSIONS¹

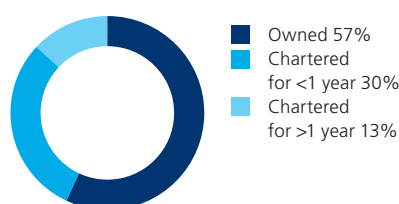
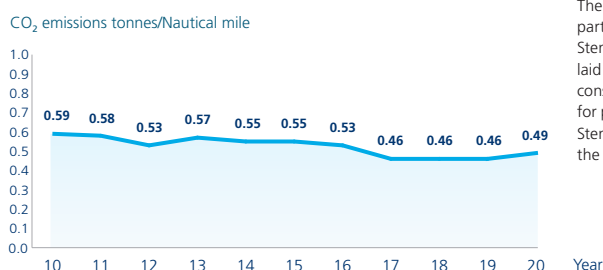
- 1) In total 3.3 million tonnes of CO₂ emissions in 2020.
 2) During the year, Northern Marine Group began to report emissions from land-based vehicles and their share is 0.002% of a total of 3.3 million tonnes of CO₂.

REDUCED SULPHUR EMISSIONS



The major reduction of sulphur emissions between 2019 and 2020 is due to the implementation of a global statutory requirement to reduce the maximum sulphur content in marine fuel from 3.5 per cent to 0.5 per cent. The reduction of Stena's sulphur emissions between 2014 and 2015 is primarily related to regionally introduced lower sulphur content requirements in Sulphur Emission Control Areas (SECA), e.g. in the Baltic Sea and the North Sea, where the permitted sulphur content has been 0.1 per cent since 2015.

DISTRIBUTION OF VESSELS

STENA'S CO₂ EMISSIONS PER NAUTICAL MILE, 2010-2020

The increase in CO₂ emissions per nautical mile for 2020 is marginal compared with previous years. The marginal uptick is for example partly due to that the vessels from Stena Line's closed routes that were laid up for most part of the year still consume a certain amount of fuel for power and heating on board. Stena Line had fewer trips due to the pandemic.

KEY ENVIRONMENTAL FIGURES, 2020

For many years, Stena has measured and monitored emissions from its vessels. As from 2020, the land-based vehicles owned and operated by shipping operations are included in the emission reporting, in order to obtain a more complete picture of the total emissions. Land-based vehicles

accounted for 0.12 per cent of the total CO₂ emissions during the year. Since 2019, the vessels chartered in for less than a year have also been included in the reporting.

Stena's shipping operations

Energy consumption	2020	2019	2018
Number of vessels in the report	105	128	120
Total distance sailed (1,000 nm)	6,746	7,825	7,685
Total fuel consumption (1,000 tonnes)	1,061	1,184	1,139
Total energy consumption (TWh)	12.3	13.6	13.1
Greenhouse gas emissions	2020	2019	2018
CO ₂ emissions (1,000 tonnes)	3,315	3,636	3,504
Other emissions	2020	2019	2018
NO _x emissions (1,000 tonnes)	81	82	79
SO _x emissions (1,000 tonnes)	6	28	27
Environmental indicators Stena Property	2020	2019	2018
Energy use (electricity and heating) MWh	285,173	302,513	310,357

DIVERSITY STRENGTHENING BUSINESS



Stena's operations are characterised by care. An inclusive corporate culture based on diversity is encouraged at all levels within Stena. The Stena Group has around 15,200 employees worldwide.

AT STENA, THERE shall always be fair working conditions and equal opportunities for everyone. Stena's activities are permeated by an inclusive approach to conducting long-term sustainable and successful business activities.

FAIR CONDITIONS

Employees are expected to always act in accordance with Stena's values and principles. Stena's code of conduct and the White Book, see page 5, are the basis for Stena's work.

There is zero-tolerance for any form of differential treatment and/or discrimination on the basis of gender, age, national or ethnic origin, pregnancy, illness or functional impairment, religion, sexual orientation, trade union membership or political affiliation.

Stena also has zero tolerance concerning harassment and abuse, and does not accept any form of violence, threats or destructive behaviour at the workplace. Likewise, employees' right to freedom of association and collective bargaining must be respected.

INCREASED FOCUS ON EQUAL OPPORTUNITIES

Stena has increased its focus on equal opportunities at all levels of the Group.

Stena operates in several industry sectors in which it has historically been difficult to establish employee groups based on gender equality. It is still a challenge to attract women to onboard services on deck, in the engine room and in port activities.

All Stena companies aim for their boards of directors and management groups to be more equal. In succession planning, it is ensured that both genders are represented. The same applies to the final

candidates in all recruitment for managerial positions and on the election of new members to the companies' boards of directors.

The proportion of women on Stena AB's Board of Directors is 27 per cent. The business area that has come furthest with an equal composition of the board of directors and management group is Stena Property.

ATTRACTING AND RETAINING THE RIGHT TALENT

Stena works in a structured way with employer branding in order to attract and retain the right talents. For several activities there are risks related to access to the right expertise and being able to handle succession planning.

In the competition for the new employees of the future, sustainability will play an increasingly important role, in which a company's purpose and goals, climate initiatives, diversity and inclusion are significant factors.

EXPERTISE DEVELOPMENT

Stena wants to provide employees with the opportunity for continuous development in their work. Competence development is encouraged and every

employee is expected to take personal responsibility for their own development, with the company's support.

For example within offshore drilling, many work elements entail significant risk for both people and the environment, which makes it important that employees have the right education and training for their work. Lack of training is a significant risk that could have serious consequences.

The Stena AB Group annually invests over SEK 150 million in training and education of its employees. Close to 600 managers in the Group have attended an internally developed management programme (Stena Leadership Program, the Grow programme and the Ready 4 Anything management modules).

GOOD HEALTH AND WELL-BEING

Stena wants to ensure that its employees have good opportunities for a sound work-life balance. Sick leave rates are relatively low in most of Stena's business areas, and are followed up in accordance with the legislation to which the respective business units are subject, as an example measures and processes to help employees on long-term sick leave to return to work.

KEY EMPLOYEE FIGURES¹⁾

Stena employs a large number of women and men with different backgrounds and cultures in countries all over the world. Stena always offers equal rights and opportunities, irrespective of gender and background.

	2020	2019	2018
Number of employees	11,483	11,813	11,370
Women (%)	28	30	30
Women on boards of directors (%)	27	20	27
Women in executive management (%)	20	22	22

¹⁾ The number of employees including external seagoing personnel via Northern Marine is 15,671.

RESULTS OF STENA PULSE – IT STARTS WITH YOU

Stena Pulse 2020	Stena ¹	External benchmark ²
eNPS (Employee Net Promotor Score)	31	9
Leadership index	83	76
Engagement index	85	77
Team efficiency index	83	74
Organisational and social work environment index	81	74
Response frequency 91%³		

1) Each index is based on a weighting of a number of questions on a Likert scale, where the outcome is converted to a number between 0-100.

2) Benchmark consists of 600,000 responses from 260 companies, most of which have their head office in the Nordic region, but operate globally.

3) The results do not include Stena Line.

STENA PULSE – IT STARTS WITH YOU



Good leadership and a good working environment are the basis for committed employees and good customer relations that increase growth and profitability.

EVERY EMPLOYEE HAS AN IMPORTANT ROLE TO PLAY

The Stena Group relies on every employee being able to do their best in their job. The more complex and rapid the pace of development, the more important it is for all employees to show commitment and take responsibility. Modern leadership, an inclusive culture and strong values provide the best foundation for well-functioning teams who show great dedication. To ensure that this is in place in every part of the organisation, regular employee surveys are conducted to which every employee has the opportunity to respond.

In 2020, Stena's new employee survey, called "Stena Pulse – it starts with you", was conducted. The method behind this modern survey tool is closely linked to the research results in this area, as well as to a large benchmarking database. This enables a comparison with a large number of companies in different sectors, which makes it easier to evaluate the results. After next year's survey, it will be possible to analyse a trend for the organisation. It can be noted, however, that results exceed the benchmark in all indexes with a good margin. The theory behind the new method is described in the pyramid illustration to the left.

Prior to the survey, all employees were encouraged to respond as honestly as possible. Thereafter, each team works to improve their identified development areas. It is therefore more important to focus on the results for each group, rather than the aggregated, which over time should only be used to spot trends. Stena is working on evaluating the survey in a focused process leading to an action plan, with the ambition for the activities to become concrete behaviour to drive change. The focused process is based on the Organizational Behavior Management (OBM) theory.

Small improvements in the respective groups will have a great overall impact on Stena. Every employee plays an important role in creating the best conditions for doing a good job. The working environment is not just a location, but also how all employees interact.

FORMER GROW PARTICIPANT, NOW GENERAL MANAGER IN DUBAI

Ida Fredriksson was appointed General Manager and Head of Stena Bulk Products and Chemicals Dubai during the year. Over the past twelve months, she has been involved in the day-to-day operations in order to get to know the new market. Going forward, however, she will have more focus on strategy and business development.

WHEN IDA WAS OFFERED the General Manager role in Dubai, it was a chance for her to further develop her career within Stena Bulk, and take on the new challenges and opportunities that moving to a new region brings. It was also a chance for her family to experience a new culture and part of the world they had not explored before.

What is your experience of working in the Middle East, and as a woman in the region?

One concern I had before accepting the job was how I would be accepted as female leader in my industry and region, but I am happy to say that my preconceived notions were quickly turned to positives as I have so far only had good experiences.

What is the best thing about your job, and what is the main challenge?

The best part of my job is the people I work with. I feel very fortunate to be able to work with a fantastic team who are industry specialists and help to support me in my role as General Manager.

It goes without saying that Covid-19 has presented the biggest challenges anyone has ever faced, both commercially and healthwise. On moving to Dubai, my priority was to meet all of our customers and suppliers within the first twelve months. The Covid-19 restrictions have made this completely impossible.

What makes this region different from the other regions you have worked in for Stena?

The office culture and atmosphere are very similar to Singapore, in my experience, which made the transition easier for me in that sense. The shipping industry in general is very international, so we work with people from many different cultures and backgrounds, which I really enjoy.

Different geographical regions present many different cultural nuances that can often merge in the business world, and nowhere has this been more evident to me than in my experience of working in Dubai and across the Middle East. To be effective in any role in the Middle East, you need to quickly recognise and appreciate the way that business is conducted, and know how people can act and react.



Ida Fredriksson,
General Manager and Head of
Stena Bulk Products and Chemicals Dubai.

A SECURE AND SAFE ENVIRONMENT FOR EMPLOYEES AND CUSTOMERS



Stena is a global operator with activities that often take place in demanding environments: onboard vessels, at yards and on rigs all over the world.

OFFERING EMPLOYEES, PASSENGERS, customers, tenants and freight, a safe and secure environment is of highest priority for Stena.

SAFETY MEASURES

Ongoing safety measures are aimed at keeping all employees' safety awareness updated at all times, with a zero-accident vision as benchmark. Follow-up on relevant key safety indicators is done regularly by the Board of Directors.

Proactivity is key in safety work. To improve contingency measures in crisis situations, Stena has established a Groupwide crisis team to handle any crisis affecting all – or several – parts of the Group and then coordinate other groups in the operations. In the beginning of the pandemic, the Groupwide crisis team worked on investigating and planning how to handle the situation.

WORK-RELATED RISKS AND ACCIDENTS

Material risks include how employees may be exposed to uncertain and hazardous environments in the course of their work, and that they lack the right competences to perform work operations that present a risk.

This includes, for example, the risk that personnel are exposed to toxic substances, such as hydrogen sulphide and asbestos, to risk-intensive work operations at yards, and to hazardous environments onboard vessels. For Northern Marine, these risks have a clear market connection, since the large oil companies conduct vetting inspections of vessels and their "safety track record", in order to assess the vessel's safety performance

when they select vessels for their transport operations.

A safe and secure working environment is also put to the test in cases where Stena's seafarers are on vessels in waters and routes where there is a risk of pirate attacks.

Since extended work shifts can make it difficult to maintain concentration, a lot of time and resources were devoted to achieving good and secure crew changes for seagoing personnel, even though national borders were closed.

As a minimum level, Stena adheres to the national and international conventions governing the safety of human lives at sea, but also focusing on the design of vessels in terms of saving lives, fire prevention and radio equipment.

Risks in this area are also handled by continually ensuring that employees receive training and education, so that they can work safely and securely, and

with clear procedures for hazardous work processes and ensuring that the right safety equipment is available.

INFORMATION HANDLING

Information security is an important area for Stena, and there is ongoing work to handle risks related to this, both centrally and in the business areas.

The digitalisation of Stena's processes imposes stricter security requirements in terms of information flows and IT systems, which puts more and more focus on these issues. This applies particularly to a year when many employees worked from home, with more potential security risks. This includes screening of potential cyber risks.

On an annual basis, Groupwide drills are conducted in order to stress test and identify technical and social vulnerability in digital systems and at physical premises.

WORKPLACE SAFETY

Safety is one of the first items on the agenda at all Board meetings in the maritime business areas. LTIF is an important metric for this safety aspect.

LTIF ¹	2020	2019	2018
Northern Marine Group	0.21	0.19	0.31
Stena RoRo	2.20	4.57	0.00
Stena Drilling	0.00	0.15	0.00
Stena Bulk	0.26	0.27	0.13
Stena Line ²	1.7	1.9	1.1

1) Lost Time Injury Frequency (LTIF) is a measure of the workplace safety of the crew onboard. LTIF is calculated on a rolling 12-month period according to the following formula: Number of LTI:er x 1,000,000/total exposure hours (total time on board working hours and rest time). The definition of LTI is absence the following working day (24 hours) for Stena Line, RoRo and NMG and absence more than 3 days (72 hours) for Drilling.

2) Including service personnel.

POSITIVE DRIVING FORCE – LOCALLY AND GLOBALLY



Stena's ambition is to have a positive impact on both the value chain and society in general.

THE VARIOUS STENA COMPANIES fulfil important needs in society, such as transport, homes, electricity generation and technical development, and with commodities such as kitchens, bathrooms, storage systems and garden products.

IMPORTANT FUNCTIONS IN SOCIETY

Stena continuously strives to be an active and dedicated corporate citizen that contributes to positive social development and sustainable activities in its areas of operation.

Stena Property provides safe and secure homes of good quality for many families and takes a well-developed, holistic approach to sustainability. The guiding principle is to contribute actively to society's development, and not just be a manager of properties.

For Stena Property, there are financial risks related to social instability, alienation and economic vulnerability among tenants without a stable income. Stena Property handles these risks on the basis of well-functioning cooperation

with local actors, in its own Relationship Management and employment promotion initiatives, as practical training positions, and summer positions for young people.

Stena is developing the logistics area, with Stena serving as an operator of intermodal solutions and land-based transport.

Despite the pandemic in 2020, Stena Line succeeded in maintaining its activities in the face of lockdowns and closed borders (for private passengers). The ferry routes played a vital role in maintaining goods flows within Europe, particularly in the North Sea and the Irish Sea. One of the most important goods deliveries consigned by Stena Line during the year was the transport of Covid-19 vaccines between the Netherlands and the UK.

BUSINESS ETHICS AND REGULATORY COMPLIANCE

Stena contributes to the development and resilience of the local communities in which it is active by offering employment

and generating tax revenue. There is great emphasis on creating trust between Stena and a wider group of stakeholders through a transparent, ongoing dialogue.

Stena has a good reputation as a company that with honesty and integrity always promotes good business practice. Stena advocates open markets and fair competition and does not engage in discussions or agreements with competitors on price-fixing, market-sharing or any other activities that violate the rules of fair competition. Further training initiatives are planned for the personnel concerned, who are active in sectors with few players, in order to strengthen knowledge and awareness of this issue.

ANTI-CORRUPTION

Within all business areas there is a potential risk of bribes and inappropriate gifts being offered. Stena works actively to handle these issues in its business relations. Stena's procurement regulations and regular internal controls also contribute to minimising this risk.

Through the company's whistleblower function, Stena's employees can report any suspected irregularities.

Within Stena's shipping activities, there are risks related to "facilitation payments", which are payments to third parties to secure a contract or service. Such payments might e.g. be required to pass a strait, berth in a port, or unload freight. Stena Bulk is therefore an active member of the Maritime Anti-Corruption (MACN) network, which is a sector organisation to eliminate corruption in the shipping industry.

Hällskriftsgatan, Slätta Damm.
Stena Property

COOPERATION FOR PEACE

In 2020, Stena and the Non-Violence Project Foundation announced expanded cooperation around the international peace and anti-violence symbol, "The Knotted Gun".

"It's very satisfying to be able to continue and expand the collaboration with the Non-Violence Project Foundation. Stena is a major player with local presence in many locations and it's important for us to contribute in different ways to a positive development in society on the basis of our natural areas of responsibility. It's both important and extremely relevant to use this collaboration to increase focus on peace and anti-violence issues," says Dan Sten Olsson, Stena's CEO.

Stena Property collaborates with schools in their local communities, where pupils can attend the Non-Violence Foundation's "Schools for peace" training programme. The sculptures representing "The Knotted Gun" are made from Stenanium®, a metal produced by Stena Recycling from recycled weapons, among other things. The first sculpture in the "Recycled for Peace" series is located at Stena Lines Denmark terminal in Göteborg. Another four large statues will be installed adjacent to Stena Property's buildings.

”

We want to contribute in various ways to creating safe and pleasant neighbourhoods where we operate. The education programme gives children and young people tools to resolve conflicts without violence. They build up stronger self-esteem, and the group also develops in a positive way.

Cecilia Fasth, MD of Stena Property



"The Knotted Gun" is a sculpture created by the Swedish artist Carl Fredrik Reuterswärd after his friend John Lennon was murdered outside his home in New York on 8 December 1980.

HUMAN RIGHTS AND SUSTAINABLE VALUE CHAINS

Today, there are greater expectations than ever before that companies should act to protect human rights. Requirements from investors and lenders, customers and employees, have made it clear that companies need to take greater responsibility in every stage of the value chain.

Stena supports and respects the UN's Universal Declaration of Human Rights. This includes zero tolerance of any form of forced labour and child labour, or use of illegal manpower for the production of goods or services, within Stena or in the activities of suppliers or business partners.

One risk in every area of activity is that employees in the supply chain do not have fair working conditions, so that issues concerning human rights, working terms and discrimination are not fully addressed.

For Stena Line, there are also risks related to refugee smuggling and human trafficking, as well as smuggling of stolen goods, weapons and drugs on board vessels. Stena Line works continuously together with authorities in Sweden and in other countries to strengthen its procedures and train the affected personnel, in order to avoid such incidents.

In Stena's shipping activities there is a risk of child labour and forced labour among suppliers at the yards engaged in construction or repairs. The risk is handled by stipulating terms in agreements and by having Stena's own personnel stationed at yards.

Stena Line, Stena Property and Blomsterlandet have developed their own codes of conduct, to confirm that fair working conditions exist, among other things.

Stena has the opportunity to inspect suppliers' activities to ensure compliance

with the agreement terms. Stena seeks to reduce these risks by ensuring better control of every link of its value chains.

STRONG CIVIL SOCIETY

In 2020, the Stena AB Group directly and indirectly donated SEK 24 million for such purposes as building competences in schools, environmental initiatives, innovation, research, culture, sports associations and children's rights. The Sten A Olsson Foundation for Research and Culture donated SEK 24 million in 2020, as well as an average of SEK 35 million per year during the past ten years. In 2020, the Jane and Dan Sten Olsson Foundations distributed SEK 9 million for social and scientific purposes, including support for the Hand in Hand Foundation. Over the years, the contributions to Hand in Hand have created almost 200,000 jobs, mainly in Africa.

SUSTAINABLE DEVELOPMENT

Via Agenda 2030, the UN has set 17 Sustainable Development Goals (SDGs). To achieve these goals, governments, civil society and business need to work together. The Stena Group works actively to ensure that its activities contribute to the SDGs.

BY INTEGRATING sustainability in the Stena Group's core activities, Stena contributes in a positive way to achieving the Sustainable Development Goals. Yet Stena's activities also have a certain negative impact on the SDGs.

Below, the SDGs with greatest relevance for the Stena Group are presented. For each SDG, there is a summary of the Group's impacts and risks, as well as a link to Stena AB's four focus areas.



THE GLOBAL GOALS
For Sustainable Development

Read more about the UN Sustainable Development Goals at stena.com



REDUCED INEQUALITIES

Stena's focus areas:
Employees

- **Stena is active** in several sectors where it is – and has been historically – a challenge to get a good gender mix among the employees.
- + **Stena is dedicated to achieving** a better gender balance throughout the company. All business areas have the goal of achieving a better gender balance in their boards and management groups.
- + **Compliance with Stena's** code of conduct and policies will prevent discrimination.



AFFORDABLE AND CLEAN ENERGY

Stena's focus areas:
Environment

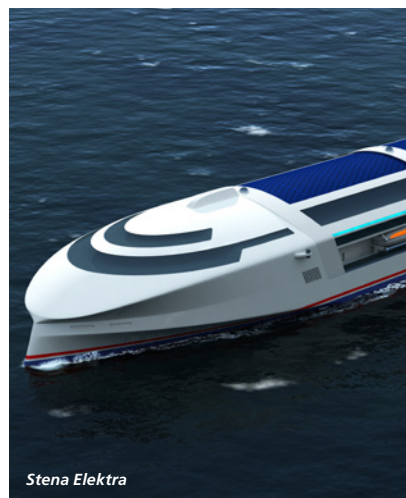
- **Many of Stena's activities** use large amounts of energy and fossil fuels, leading to significant emissions of greenhouse gases.
- + **In its maritime activities**, Stena has begun to conduct sea transport on alternative fuels, electrification and energy-efficient tonnage.
- + **Stena Property** aims to reduce its climate footprint by half up to 2030, compared to the 2018 level.
- + **More and more of Stena's activities** are solely based on green electricity, and the transition to climate-neutral transport is ongoing.



DECENT WORK AND ECONOMIC GROWTH

Stena's focus areas:
Employees, Safety and Community

- **Stena is a global operator**, with activities in tough onshore and offshore environments, which presents risks related to working conditions, and the health and safety of employees, suppliers and customers.
- + **Stena's corporate culture** is characterised by care and inclusion. The Group's code of conduct sets clear requirements for decent working conditions and Stena's safety initiatives are ambitious and proactive.
- + **Stena's responsible** and expanding business activities contribute value-adding economic growth wherever they are operated.



Stena Elektra



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Stena's focus areas:
Environment, Employees and Community

- **Stena's maritime** activities generate emissions that degrade air quality and can contribute to excessive noise, among other things.
- **The maritime fleet** can only be replaced over a long cycle, and Stena traditionally maintains its vessels for long-term use (between 15 and 40 years). This extended use of well-maintained assets is positive. However, the rate of technical development within shipping is high, so using older tonnage may be a drawback from a sustainability aspect, with a negative impact on the goal of upgrading to sustainable infrastructure.
- + **The various Stena companies** make important contributions to society, such as transport, electricity generation and technical development.
- + **Maritime transport** is a climate-effective freight consignment method and Stena's vessels are testbeds for new innovation and the transition to sustainable infrastructure.
- + **Stena develops** new collaboration and promotes strategic port locations/routes, in order to offer customers several intermodal alternatives.



SUSTAINABLE CITIES AND COMMUNITIES

Stena's focus areas: Environment, Employees and Community

- **Climate and environmental impacts** from Stena Property, such as energy use, transport, biological diversity, waste handling and water use, and stormwater management.
- **In many of the cities** where Stena Property are present, there are challenges with social instability, insecurity, economic vulnerability and alienation.
- + **Stena Property** provides secure homes for many families from different backgrounds and developing new forms of housing.
- + **Active responsibility** for the positive development of the communities/areas where Stena Property is present.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Stena's focus areas: Environment and Community

- **Use of plastics and chemicals** in both marine and onshore activities, and the increase in demand for disposable plastic items as a consequence of the pandemic.
- + **Stena has the goal of** improving waste handling and increasing recycling of materials, and takes a structured approach to reducing its use of chemicals, while working actively for customers to make sustainable choices.



CLIMATE ACTION

Stena's focus areas: Environment and Community

- **Many of Stena's** activities consume large amounts of fossil fuels, leading to greenhouse gas emissions.
- **Stena has a need to extend the time perspective** concerning the impact of climate-related risks on its activities, and to increase knowledge and capacity for the handling of these risks.
- + **Stena is seeking to** minimise greenhouse gas emissions through renewable alternatives and electrification.



LIFE BELOW WATER

Stena's focus areas: Environment

- **Stena's maritime** activities have a negative impact on marine ecosystems via emissions to water, disruption of marine ecosystems, noise and the potential risk of oil spills.
- + **Stena works actively** to reduce its impact on marine ecosystems by working continuously to minimise risks of oil spills, installing ballast cleaning systems on vessels, and using environmentally friendly hull paint.
- + **Since the start, Stena has supported** the Ocean Health Index, which is the UN's recommended index to measure the health of the world's oceans. Stena is also part of the "Friends of The Ocean" initiative, which is supported by the UN and the World Economic Forum.



LIFE ON LAND

Stena's focus areas: Environment

- **Stena's shore-based** and maritime activities present the risk of negative impacts on ecosystems and biological diversity.
- + **Stena** undertakes environmental impact assessments, sets requirements for its suppliers and adheres to the Ballast Water Management Convention.



PARTNERSHIPS FOR THE GOALS

Stena's focus areas: Community

- + **Stena seeks** to be an active and dedicated corporate citizen that contributes to positive social development. Stena supported direct and indirect work performed by organisations in civil society and academia with an amount of SEK 24 million in 2020.
- + **Stena is a member of the** Maritime Anti-Corruption (MACN) network, which seeks to reduce corruption in the shipping industry.
- + **Example of collaborations** related to sustainable development is the Swedish Shipowners' Association and several other nations' shipowner associations (the UK Chamber of Shipping, the Royal Association of Netherlands Shipowners, ECSA (European Community Shipowners' Associations) and Lighthouse. Blomsterlandet, together with the Swedish Society for Nature Conservation and Stena Property, collaborates with the Red Cross and local City Missions in Sweden.

This matrix shows the extent of Stena's statutory sustainability report in accordance with Part 6, Section 10 of the Swedish Annual Accounts Act. The sustainability report concerns Stena AB, including the subsidiaries¹ that are subject to the requirements.

	ENVIRONMENT	HUMAN RESOURCES AND SOCIAL ISSUES	HUMAN RIGHTS	ANTI-CORRUPTION
BUSINESS MODEL	Vision, mission, business idea and values (page 7), Value creation (pages 10–11)	Vision, mission, business idea and values (page 7), Value creation (pages 10–11)	Vision, mission, business idea and values (page 7), Value creation (pages 10–11)	Vision, mission, business idea and values (page 7), Value creation (pages 10–11)
POLICY	Pages 32–37	Pages 32–35 and 38–41	Pages 32–35 and 42–43	Pages 32–35 and 42–43
GOVERNANCE AND RESULTS OF THE POLICY	Pages 36–37	Pages 38–41	Pages 42–43	Pages 42–43
SIGNIFICANT RISKS AND HANDLING OF RISKS	Pages 36–37 and 44–45	Pages 38–41 and 44–45	Pages 42–45	Pages 42–45
RESULT INDICATORS	Pages 14, 16, 18, 20, 22, 26, 30 and 36–37	Pages 14, 16, 18, 20, 22, 26, 30, 38–39 and 41	Pages 14, 16, 18, 20, 22, 26, 30 and 42–43	Pages 14, 16, 18, 20, 22, 26, 30 and 42–43

1) Blomsterlandet, Northern Marine Group, Stena Bulk, Stena Drilling, Stena Property, Stena Line and Stena RoRo. Ballingslöv International have their own sustainability report. Read more at ballingslovinternational.com

Contact concerning sustainability issues:

Emma Aaben, Sustainability Manager
emma.aaben@stena.com

AUDITOR'S REPORT

OTHER

The auditor's report on the statutory sustainability report to the general meeting of Stena AB (publ), corporate identity number 556001-0802.

Assignment and responsibilities

The Board of Directors is responsible for the Sustainability Report, of which the extent is described on page 46, and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the examination

Our examination was performed in accordance with FAR's auditing standard RevR 12, Auditor's report on the statutory sustainability report. This means that our examination of the Sustainability Report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

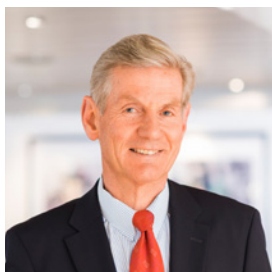
Göteborg, 28 April 2021

Johan Rippe

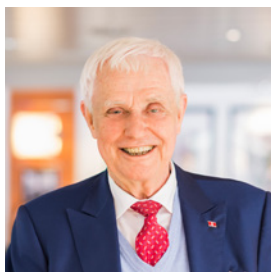
Authorised Public Accountant

Johan Malmqvist

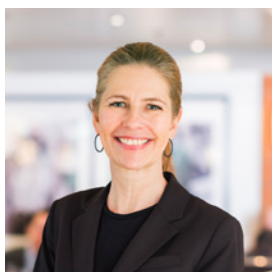
Authorised Public Accountant



Gunnar Brock
Chairman



Dan Sten Olsson
CEO



Mia Brunell Livfors



Christian Caspar



Vivienne Cox



Marie Eriksson



Casper von Koskull



William Olsson



Lars Westerberg



Anne-Marie Pouteaux
Deputy



Daniel Holmgren
Employee representative



Alessandro Chiesi
Employee representative



Pia Carlsson
Employee representative,
deputy

AUDITORS

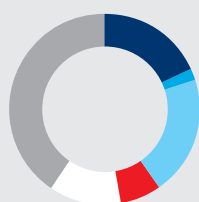
Johan Rippe
Authorised Public Accountant

Johan Malmqvist
Authorised Public Accountant

ONE SPHERE – THREE INDEPENDENT COMPANIES

The Stena Sphere consists of the three parent companies, Stena AB, Stena Sessan AB and Stena Metall AB. A total of 19,000 people are employed in the Stena Sphere. Total revenue for 2020 was SEK 57 billion. Profit before tax amounted to SEK –3.9 billion.

BUSINESS AREAS	STENA AB (PUBL)	STENA SESSAN	STENA METALL AB
FERRY OPERATIONS	Stena Line		
OFFSHORE DRILLING	Stena Drilling		
SHIPPING	Stena Bulk, Stena RoRo, Stena Teknik, NMG	Concordia Maritime (52%)	
PROPERTY	Stena Property	Stena Sessan Fastighets AB	
NEW BUSINESS	Stena Adactum	Scandic (20%) Exeger (4.1%) Budbee (8.3%) Annotell (12.5%) VOI (2.6%)	
FINANCE/OTHER	Stena Finance		Stena Metall Finance
RECYCLING, ENVIRONMENTAL SERVICES AND TRADING			Stena Metall

STENA SPHERE – TOTAL INCOME AND SHARE OF TOTAL INCOME 2020¹

- Ferry lines 18%, MSEK 10,362
- Offshore drilling 2%, MSEK 1,332
- Shipping 20%, MSEK 11,808
- Property 7%, MSEK 4,129¹
- New business 12%, MSEK 7,229
- Recycling, environmental services and trading 40%, MSEK 23,658

1) Excl. sphere eliminations

STENA SPHERE – REVENUE AND PROFIT

MSEK	Revenue		Profit before tax	
	2020	2019	2020	2019
Stena AB	33,343	37,142	–4,858	240
Stena Metall ²	23,658	27,391	559	1,004
Stena Sessan	1,486	1,576	406 ³	732 ³
of which Concordia Maritime	1,026	1,140	–65	–102
Sphere eliminations	–1,598	–2,744	–	–
Total	56,889	63,366	–3,893	1,976

2) Annual accounts 2019/2020

3) Excluding change in value of shareholdings

STENA METALL

The Stena Metall Group operates within six business areas as the Nordic region's leading recycling company.

Every year, Stena Metall recovers and processes six million tonnes of waste and obsolete products, and supplies customers with raw materials, steel products and marine fuel. These are leading recycling activities with well-developed logistics solutions, industrial processing and a growing range of services related to waste handling and recycling.

The 2019/2020 financial year was characterised by continued growth and focus on new recycling solutions, but also

by a troubled world with fluctuating market conditions for the Group's companies. The profit before tax was SEK 559 million.

Stena Nordic Recycling Center (SNRC)

is the hub of the infrastructure for industrial materials recycling in the Group. During the year, SNRC continued to contribute to significantly higher recycling ratios and a higher quality yield.

Stena Recycling was named as Sweden's most sustainable brand in 2018, in the B2B Sustainable Brand Index study. This was based on interviews with decision makers in large companies.

STENA SESSAN

As one of the Stena Sphere's parent companies, Stena Sessan is the owner of Scandic Hotels and Concordia Maritime. Stena Sessan also owns a property portfolio via the wholly-owned company, Stena Sessan Fastighets AB. During 2020, a number of new investments were made in future-oriented companies such as Exeger, a market-leading technology company within solar cell innovation; and Budbee, a market-leading tech company for route planning of e-commerce home deliveries. An investment was also made in Annotell, which develops software for advanced driver assistance systems and driverless vehicles, as well as VOI, which via its electrical scooter pooling service offers a versatile transport alternative in partnership with cities.

Stena Sessan's net asset value fell by around 9 per cent during 2020, amounting to almost SEK 7.2 billion at year-end. The drop was mainly due to Scandic's performance, as the hotel chain faced a challenging year and was affected by the lockdowns due to the pandemic. Concordia Maritime was also affected negatively by the pandemic and the restrictions imposed, while Stena Sessan Fastighets AB contributed positively to net asset value and was not affected by any

particular rent losses. The new investments also performed well and contributed positively to the growth in net asset value.

Stena Sessan Fastighets AB owns around 5,000 rental flats in Göteborg, Stockholm and Uppsala which are managed by Stena Property. Stena Sessan is the sole owner of the company.

Scandic Hotels is the largest hotel operator in the Nordic region, with a network of around 280 hotels, with approximately 58,000 hotel rooms in six countries and with revenue of around SEK 7.5 billion. Revenue was down by approximately 61 per cent from the previous year, as a direct consequence of the severe impact of the pandemic on hotel operations. Since 2015, Scandic has been listed on Nasdaq Stockholm. Stena Sessan is the largest owner of Scandic with an ownership interest of almost 20 per cent.

Concordia Maritime is an international tanker shipping company focused on safe, sustainable and reliable transportation of refined oil products, chemicals and vegetable oils. Since 1984, Concordia has been listed on Nasdaq Stockholm. Stena Sessan is the majority owner of Concordia, with an ownership interest of around 52 per cent of the capital.

THE STENA SPHERE COORDINATION GROUP

Represents the management of each business area

- Is responsible for the Sphere's strategic development
- Supports the appreciation of the Sphere's value
- Evaluates significant investment/divestment proposals from the business units
- Provides information on important business incidents and events
- Ensures the Sphere's development through cross-fertilisation
- Maintains and develops the Sphere's shared values

Members: Peter Claesson, Cecilia Fasth, Carl-Johan Hagman, Annika Hult, Anders Jansson, Niclas Mårtensson, Dan Sten Olsson Erik Ronsberg, Anders Wassberg

THE STENA SPHERE ADVISORY BOARD

Advises on

- Keeping the Sphere together and ensuring value creation
- Implementing the consequences of change
- Management issues and support to the Group CEO
- Evaluating established goals and performance
- Balancing risks against opportunities in the short-, medium- and long-term perspectives

Members: Samir Brikho, Michael F. Hassing, Roger Holtback, Annika Hult, Stefan Lindskog, Dan Sten Olsson, Eivind Reiten



Design & production: Narva

Photos: Jesper Orrbeck, Patrik Johäll, Catharina Fyrberg, Oscar Mattson, Jacqui McIntosh, Peter Mild, Emelie Asplund, Marcus Lawett, Ellen Tellbe, Sam Chin, Steven Tarbox, Sofia Sabel.

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Always the customer's first choice

Leader in quality and quality
assured partners

Always efficient and effective with
our own and others' resources

Clearly delegated business acumen



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