

SFÄRNYTT

NO. 74, MARCH 2016

TO ALL EMPLOYEES IN THE STENA SPHERE

STENA DRILLING
RAISING ONE'S GAME

PROPERTY COMPANY
OF THE YEAR ELECTED

NORTHERN MARINE GROUP
**CONTINUES
TO GROW IN
CHINA**



STENA VALUES

CUSTOMER SATISFACTION

Keep the clients
Repeat business
Performance benefits
Constant interaction

QUALITY

Assets
Operations
Management
Decisions (timing and preparation)

COMMITTED PEOPLE

Competence
Consistency
Clarity
Care

INNOVATION

Determination
Energy/Creativity
Initiative

RESULTS / BUSINESS ACUMEN

Make money for the company
Short term and long term objective achievement
Continuance, durability
Business enjoyment

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And then there was the skiing season!

ALMOST EVERYONE I KNOW has been skiing this year. Downhill skiing is popular and many people went on holiday in the Alps. I'm envious of people who go cross-country skiing and seem to be enjoying it. But maybe it's easier said than done to use muscle power to move across the countryside. If I were to exchange slalom skis for cross-country skis, one thing is certain; I would miss gliding effortlessly down the slope and enjoying the sun in my face!



GIVE ME A HOLIDAY IN THE SUN ANY DAY

I've kept a close eye on friends on Facebook who have travelled to Dubai, the Maldives, Miami and Las Vegas during the winter holiday and since I'm not made for this cold climate, I dream myself away to warmer climes where you don't risk almost freezing to death. Now when the days are getting longer again in our cold country, we begin to long for the summer. Wonder if it's going to be a hot summer this year? I'll see if I can find somebody who can predict the weather for the summer. The forecast is seldom right but it's always nice to get an indication of what the summer weather will be like. The idea is to enjoy every minute of the sun, the sea and warm rocks – that's when Sweden is at its best!

Linda Mickelson
Publisher and editor



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IMPORTANT MILESTONE IN THE CONSTRUCTION OF THE HOSPITAL SHIP ATLANTIC MERCY

Rikard Olsson, Project Manager Stena RoRo; Jim Paterson, Senior Vice President Mercy Ships; Mr. Jiang, Vice President CSIC; Don Stephens, Founder and President Mercy Ships; Per Westling, Managing Director Stena RoRo; Hu Xiang, President Tianjin Xingang Shipyard; Zheng Wen, Marine Area Manager Lloyds Register attended the ceremony at the shipyard.

Stena RoRo is heading the construction of the world's largest civilian hospital ship, *the Atlantic Mercy*, which has been ordered by the global charity Mercy Ships. On 18 December, the keel was laid at state-owned Tianjin Xingang Shipyard in the north east of China and delivery is set for the beginning of 2018. The value of the order is around MUSD 100 and the vessel will be registered to the Maltese flag.

Text Birgitta Plyhm

Photo Rikard Olsson, Stena RoRo, Mercy Ships and the shipyard

LAYING THE KEEL is an important milestone in the construction of a ship and is celebrated with a special ceremony. By placing a number of coins under the keel block, the ship is blessed and wished prosperity during both her

construction and subsequent voyages. This time, it was a number of Swedish kronor, American cents, Chinese yens and Euros, currencies that symbolised different interests in the ship. Since Mercy Ships is a Christian charity, a fish – an important symbol in the Christian faith – was welded onto the block.

"This is a very special project for Stena RoRo as well as for the Chinese shipyard, which regards it as being very prestigious. The vessel's design is based originally on a future Ropax concept developed by Stena RoRo but, in practice, it has been developed into a really large passenger ship. We are responsible for the technical expertise during its construction and, in practice, we are responsible for both the order and construction", says project leader Rikard Olsson, who is employed at Stena RoRo and recently moved to Tianjin with his family.

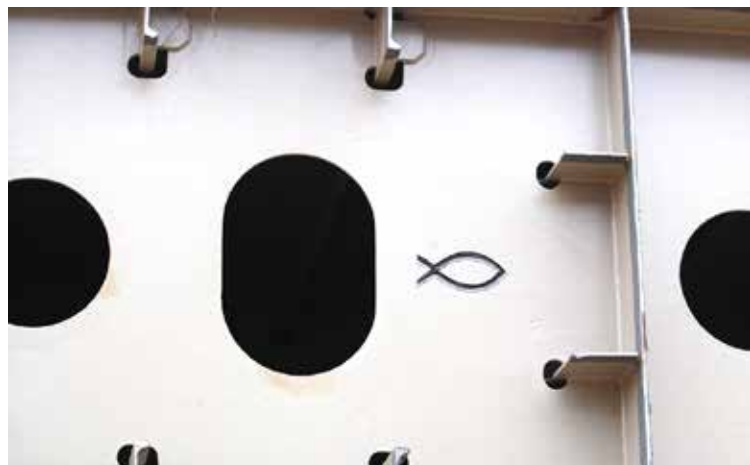
Like the hospital ship *the Africa Mercy*, *the Atlantic Mercy* will move between ports in developing countries to provide poor people with free health and medical care. ■

FACTS THE ATLANTIC MERCY:

Length: 174 metres
Beam: 28,6 metres
DWT: Approx. 37,000
Other facts: Space for 154 patients and 600 doctors, nurses and crew members. On board there will be six operating theatres where both medical care and teaching will be provided.

MERCY SHIPS

Mercy Ships was founded in 1978 and has to date visited 570 ports in 72 countries and helped more than 2.5 million people. More than 1,600 volunteers from more than 60 countries assist in the work every year. For more information, see: www.mercyships.org



A fish, which is an old Christian symbol, is welded onto the block.



The Africa Mercy – which is actually a converted passenger ferry – has served as a hospital ship for many years. She is currently in Madagascar.

Tenant dialogues contribute to development of pleasant areas

As a result of a number of different measures in which the tenants have participated, Smaragdgan and Briljantgan in Gothenburg have been transformed into a nicer, more pleasant and safer area. Now when the area is to be developed, it will take place in close cooperation and dialogues with the tenants.

Text Sara Bergqvist
Photo Stena Fastigheter

FIVE HUNDRED POST-IT NOTES in different colours describe what the tenants on Briljantgan and Smaragdgan want to do with their area when it is renovated. A technical survey of the properties together with the views expressed by the tenants will form the basis of the renovation that will begin during the autumn. These views have been gathered in several different ways, including at four dialogue meetings, and more than 300 tenants have been involved.

“Collaboration in the area is already very good and it is based on our work with Relationship Management® and a large number of tenants who have become involved as area hosts. Working together, we can boost this area”, says Sari Isberg, relationship manager at Stena Fastigheter Göteborg.

Stena Fastigheter has also made premises available to which all the tenants have access and can see what all the views are. New post-it notes are still being added – and even the children have become involved with wishes for different outdoor activities.

“The dialogue with our tenants is important for the design of the area. Listening to our tenants, utilising the knowledge they have of their area and involving them

in its development, together with our know-how and experience, will enable us to develop safe and stable areas where people are happy and want to remain for a long time”, says Agneta Kores, MD, Stena Fastigheter Göteborg.

Stena Fastigheter owns and manages a total of about 500 apartments on Briljantgan and Smaragdgan. Several projects designed to enhance wellbeing and collaboration in the area are already in progress. Among other things, several tenants have signed up as area hosts.

“Based on this, we have formed four groups, one that will be responsible for allotments and green areas, one group for keeping the area tidy and in good order, an interpreting and information group and a group that arranges various activities in the area”, says Sari Isberg.

The interpreting and information group is fluent in 19 different languages. It thus has an important role to play in the dialogue with tenants and can contribute to even more tenants being able to share their knowledge, experience and views regarding how the area should be developed for the future. It also helps with other activities such

as when the group responsible for allotments and green areas arranged for the planting of bulbs in the whole area.

“In conjunction with that, we also brought in one of our contractors who showed and described what to do to succeed when planting bulbs. And because the interpreting group helped, more people could take part”, says Sari Isberg.

The group responsible for keeping the area tidy and in good order is currently planning a project that will increase wellbeing in the laundry rooms while the activity group arranged, among other things, activities for the children during the autumn holiday. They are also involved in the annual family day held in the area by Stena Fastigheter and the Swedish Union of Tenants when activities such as pony rides, a bouncy castle, stage performances and a barbeque are provided. At the last family day, there was a cycle workshop where the children learnt how to repair their bicycles.

“It was greatly appreciated and is an activity we will repeat when the bicycles start being used again”, says Sari Isberg. ■

STENA FASTIGHETER NAMED PROPERTY COMPANY OF THE YEAR

Stena Fastigheter has been named Property Company of the Year 2015 by the journal Fastighetstidningen. An important reason for this was Stena Fastigheter's work with Relationship Management® and social sustainability.

The Property Company of the Year award goes to a property owner who has shown a sustainable business concept, commercial success, customer contacts and successful sustainability work. The winner is chosen by the journal's readers and a jury consisting of Fastighetstidningen's editorial staff and representatives of The Swedish Property Federation.

“We are delighted and honoured to have been chosen as the Pro-

perty Company of the Year. The criteria on which the award is based are fully in line with the way we work, where social and environmental sustainability, professionalism and our long-term approach as a property owner are key”, says Christel Armstrong Darvik, CEO, Stena Fastigheter.

The jury's motivation for naming Stena Fastigheter as Property Company of the Year was:

“Stena Fastigheter has shown with good examples that social sustainability work is consistent with profitability. For several years, the company has been working with Relationship Management®, a concept that today is a registered trademark. This year, the company has taken the next step. From April, social consideration will be included in all new contracts. This means that all the company's suppliers, in the case of large conversion and construction projects, must offer employment to young people and young adults who live in apartments owned by Stena Fastigheter”. ■





The Northern Marine Group's presence in China continues to grow

The Northern Marine Group's presence in China continues to grow as one of its Shanghai-based companies becomes the first European business to attain approval to manage vessels belonging to the country's flag state.

Text Andrew Gibson, NMG
Photo Shutterstock.com

NORTHERN MARINE MANAGEMENT SHANGHAI is now registered in the Free Trade Area with a business license for the technical management of Chinese flagged vessels.

It had previously not been possible for a wholly owned foreign entity to undertake ship management in China. Under its parent company Stena Marine Consulting Shanghai Co Ltd, Northern Marine Management Shanghai now looks to add a Chinese flagged vessel to its fleet, while newly launched company Tang Li Marine and Offshore has begun its business in earnest.

Tang Li Marine and Offshore was established to allow for a direct supply chain for Chinese manufactured goods allowing Northern Marine to supply quality products to Stena vessels, third party vessels under management and to wider customers looking for marine and offshore ship stores and original equipment manufactured spare parts.

The recent progress of all companies has been hard earned with Northern Marine investing considerable time and planning into building relationships in a region where relationships are key.

On the eve of Chinese New Year celebrations, Darren Ellis, Executive Director, Northern Marine Management Shanghai, explained the progress.

He said: "Obtaining the necessary local knowledge, reliable and experienced local employees are essential factors for a foreign company to establish successful business in China.

"Stena Marine Consulting Shanghai Co Ltd became our operating platform to establish the initial business and provide project support services to new build projects in China.

"The establishment of the Shanghai Yangshan Free Trade Area created an opportunity for a foreign company to establish a Shipping Services and Technical Management Company (Northern Marine Management Shanghai) without requiring a Chinese joint venture partner with a controlling interest."

Tang Li Marine and Offshore was established as a company in 2015 within the Shanghai Free Trade Area and in Hong Kong. Tang Li completed its first business within 2015 and the business has grown steadily since then.

As a result of Tang Li's launch larger office space was acquired and the Stena Marine Consulting Shanghai headcount increased to fourteen persons with further expansion planned after the Chinese New Year Holiday.

Darren added: "The NMG China compa-

nies will continue to be developed, utilising the solid business foundations we have established over the past four years

"In addition to expanding human resources we are also evaluating the establishment of Tang Li's first storage and warehousing facility in Shanghai. The facility will be an integral part of the business development and will allow the company to establish greater procurement and purchasing efficiencies, reduce lead times and therefore provide greater overall customer service.

"We will continue to develop Tang Li Marine and Offshore as a market leader for quality and efficient 'One Stop Service Solutions' to the marine and offshore industry, not only in China and South East Asia but also on a global basis."

Stena Marine Shanghai also promotes and markets the services of all other companies of Northern Marine Group and the Stena Sphere through new business development in Chinese companies.

The Chinese government have implemented a strategy to develop Shanghai as a Centre of International Shipping and Shipping Finance by 2020. ■

HEALTH ALL THE WAY

Make health your thing and make it simple. Living healthily doesn't need to be complicated or take time. On the contrary!

Text Malin Lundskog, Hålsa Mera

HEALTH IS A TOTALITY, meaning that you enjoy life, find energy, feel joy, are strong, handle stress, develop and are the best you can be. Health is a natural part of life. Your healthy life includes every step you take during a normal day, all the hugs you give and get, all the smiles and laughter you spread around you, all the times you take the stairs instead of the elevator or go to a colleague to ask a question instead of emailing and so on.

Below are five phenomenal tips on how to incorporate health as a natural part of your life:

- **STAND UP AND WORK** – you're going to work anyway so you might as well do it standing up. By standing up, you improve your blood circulation and avoid tension in your neck and shoulders. When you stand, you increase your metabolism compared with sitting and you can even strengthen your core musculature by standing since you become more aware of your posture.
- **WORK OUT TOGETHER** – healthily effective. Working out together with friends is a fantastic and healthy way of spending time. Exercise gives you physical strength and endurance at the same time as it helps you recover mentally. Both physical exercise and spending time with the people you like stimulates your feel-good hormones.
- **CHOOSE THE BEST POSSIBLE ALTERNATIVE MEAL** – you have to eat. If you are at a lunch restaurant where the food offered is not good at all for your health, be satisfied when you choose the best

possible alternative. The more satisfied you are with your decision, the better it is for your health. Having a bad conscience about what you put into your mouth increases the stress hormones in your body, which in turn increase fat storage. And so on...

- **RECOVER** – for your mental and physical strength and endurance. Rest doesn't have to mean lying on the sofa, but it could. Rest can mean letting go of responsibility for a time and taking a walk or switching from one task to another. Active rest is not the same as wasting time, it's creating energy. Just like a good night's sleep, the most important rest of all. When you are sleeping, everything you broke down during the day is built up again and strengthened so that you are ready for a new day.

- **BE A HAPPINESS SEEKER** – and enjoy life (even more). Happiness doesn't depend on how intense the feeling of happiness is, but rather the frequency. Seek happiness as often as you can, you will be more satisfied with and grateful for your life, emotions are vital for your health. Laughing is good and finding the golden nugget in your everyday life makes you happy. Regardless of whether it's singing in a choir, painting, writing, gazing at the sea, hugging or exercising that makes you happy; be happy to find happiness often.

Thus, exercising more and more often doesn't always make you healthier, it could just as well be the happy laughs and rest that do the trick. The more often you make choices that benefit your health, the quicker those choices become a habit. When your choices have become a habit, you don't think about them any longer and in this way health has become a natural part of your life, in every respect. Your health is your thing and that thing is pretty simple... ■



Eness barbershop

The tones of an Evert Taube song can be heard from an outdoor loudspeaker at the barbershop Eness Frisersalong on Första Långgatan 14. In the doorway stands Enes Talic wearing a Stena tie in honour of the day.

Text Victoria Edström
Photo Ann-Charlotte Ytterberg

INSIDE THERE IS A fantastic atmosphere. Everywhere there are objects from the past – razors, soap-dishes, brushes and combs as well as neat looking bottles filled with different hair products. The walls are decorated with signs, paintings and photos of more or less famous people who are, or have been, Enes' customers. The barbershop was established in 1932 by the barber Thure Roswall and one



of Thure's apprentices, Erik Midensten, took over in 1975. Enes Talic has owned and run the barbershop since 1995.

"Erik still comes here for a haircut, just like many other old customers. Some of them have had their hair cut here for

50-60 years and it's important that they feel at home and return", says Enes.

In beautiful antique cupboards, patrons have their own compartments containing personal combs, brushes and scissors. In some of the compartments, there is even a miniature bottle of the customer's favourite whiskey or cognac.

"Sten A. Olsson was a regular customer and he had his hair cut often. He knew that I gave haircuts to many of the bosses at Stena and he asked me to ask them if they enjoyed working at Stena. The next time I cut his hair, he wanted to know how they had answered".

"Regular customers are the best ones", says

Enes and points at the walls where some of them have their portraits. Frölunda Indians' ice-hockey player Patrik Carnbäck, star restaurateur Leif Mannerström and the late world heavyweight boxing champion Ingemar Ingo Johansson all have their portraits on the wall.

"Some of my customers are very old and then I go home to them. It's fantastic having such a relationship with my customers".

Personal treatment means a lot but there must be craftsmanship. Enes sometimes shave in the old American way with a knife and hot towels. The old barber chairs with their original upholstery are from the 1950s and were made in Eskilstuna. There is also an old jukebox where customers can choose what they want to listen to.

Enes came to Sweden from war-torn Bosnia in 1993.

"When you come from another country, there's a lot to learn. But through my customers I've learnt the language and the culture". ■

See all the photos from Eness barbershop in the online version of SfärNytt.

<http://sfarnytt.stena.com>



Janine Sjö, Manager
Stena Leadership Academy.

Continued investments in training during the year

The investments in training are continuing this year. An alumni meeting for participants from the Stena Leadership Program will be held in March and the leadership program Grow for middle management and specialists will start the following month. It is now also possible to apply for the first courses in the Stena Leader's Menu.

Text Sara Bergqvist

Photo Ann-Charlotte Ytterberg

ON 14-15 MARCH, AN ALUMNI MEETING will be held for the 120 managers and specialists who participated in the Stena Leadership Program. The meeting will be a joint kickoff and will contain several different workshops in areas that are important for Stena for the future.

“By gathering all the participants from the seven different leadership programs, we will be able to summarise the program, make sure that everybody is at the same level and has a common picture of how Stena, and in particular shipping, should be developed for the future”, says Janine Sjö, Manager, Stena Leadership Academy.

The next step will be the leadership program Grow. This is aimed at middle management staff and specialists with the ability and will to take yet another step in their development. Recruitment to the five Grow programs, which will be held in April, May, August, September and October, has begun. Additional leadership programs for managers at different levels are in the pipeline. These programs are designed mainly to strengthen

managers in their current roles together with different types of team development.

“The selection process for just Grow is taking place in conjunction with the performance reviews in progress. Here, there is an opportunity to discuss the need for development with one's superior and which of the leadership programs could be suitable for the person in question”, says Janine Sjö.

Additionally, the first courses in the Stenas' Leader's Menu are now available on Stena AB's intranet InForum. Currently, there are four that can be applied for in the areas of finance, negotiation skills, labour law and coaching. Everybody who has some form of managerial or specialist position can apply – it is thus not necessary to have attended the Stena Leadership Program or Grow.

“We make use of both external and internal lecturers and course leaders. Stefan Wingqvist, who is Purchasing Director at Stena Teknik, will hold a course on, among other things, negotiation

techniques”, says Janine Sjö.

The course on coaching is a result of the fact that many participants in the Stena Leadership Program wanted to continue to develop their knowledge in the field.

“We're now looking at whether there is any interest in being coached oneself – which is, of course, useful when one applies a coaching perspective to one's work”, says Janine Sjö.

Since the Stena Leadership Program has attracted considerable interest in the Sphere, an additional program may be offered in the autumn.

“We will be starting up more programs as interest and need increase in other parts of Stena and we get new employees in key positions for whom the program could be suitable”, Janine Sjö adds.

In the long term, all the programs and courses at Stena will be gathered under the Stena Academy umbrella, including the Stena Leadership Program. ■



A new strategy for Stena Line

After three years of hard work, Stena Line has turned losses into profit, achieving positive results in 2015. Now, it is time to take the next step, to make Stena Line a sustainable company, both financially and with respect to the environment. A new company strategy is launched during 2016, building on the foundation and successes created in recent years.

Text and photo Stena Line

IN 2012, CARL-JOHAN HAGMAN entered the role as the CEO of Stena Line. Since then, the priority has been result improvements by increasing volumes and lowering costs. The efforts have been successful and 2015 was the first time since 1999 that the company achieved operating profits.

“It is a fantastic effort from everybody. We are now taking the next step. Our company strategy 2016-2018 is a natural continuation of what we already initiated three years ago, something that is necessary to ensure long term profitability and to make sure we stay in sync with market dynamics”, says Carl-Johan Hagman.

The company strategy 2016-2018 provides the future direction of Stena Line and consist of several components. Two strategic pillars shaping the future business is Digitalization and Sustainability and by prioritizing *Commercial Positioning* and *Operational Excellence* long-term profitability will be established. The strategy roll out started during the first quarter of 2016. ■

Digitalization

The next generation booking dialogue has been a success and the digitalization journey now continues by increasing the online booking for both travel and freight customers. The focus on digitalization also includes, more use of the automated check-in for passengers, as well as using machine learning offer to get to know the customers better and to tailor offerings more accurately. Digitalization is also a way to improve processes and ways of working, like identifying smarter ways for efficient loading or fuel savings by systemizing environmental data.

Sustainability

Stena Line is already today a leader in the ferry transportation industry with a lot of innovation and technical solutions for reducing fuel consumption and environmental impact both at sea and ashore. One super green initiative is the conversion to methanol power on *the Stena Germanica*, which travels along the Gothenburg – Kiel route. As a part of the strategy, a Sustainability function has been established to help drive corporate sustainability efforts and continue achieving improvements.

Commercial Positioning

Stena Line employees are to be more commercial, focusing on the market, customers, business execution, and profitability. Simply, get more people to choose Stena Line and sell more to existing customers. The prioritized areas in near-term are:

- Improving the existing route network by focusing on strengthening the existing routes and network, rather than focusing on expansion.
- Broaden and deepen the freight customer base by creating network and local key accounts.
- Increase online booking both for Freight and Travel customers.

Operational Excellence

Stena Line should optimize its existing business operations while continuing to lower costs. Every sailing, every length meter on deck, every square meter in the shop and restaurant, every service onboard should be profitable. The prioritized areas in near-term are:

- Each region will form a commercial Trade Management team and by working more closely together, Freight, Travel and the routes will maximize profitability on every sailing.
- By finding and implementing best practices Stena Line will optimize the ports and terminal operations in the close to 30 ports around Europe where the company operates.
- Continue focus on cost reduction through SAP, Strategic Achievement Plans.

Targets 2018

- 75% online Travel booking
- 80% online Freight booking
- 65% deck utilization

A tall, white, cylindrical lighthouse with a red lantern room stands on a rugged, rocky coastline. The lighthouse has several small, dark windows. The sky is filled with heavy, dark clouds, and the sun or moon is visible behind the lantern room, creating a bright glow. The foreground consists of large, dark, jagged rocks.

IMPRESSIONS FROM DAVOS

As a consequence of the strong globalization trends, which have been in force for the last twenty years World Economic Forum starts to be a global organization. With conferences regularly taking place every quarter in various parts of the world and with 21 different communities trying to develop a common understanding and agendas for improvements on a global scale the many facets of the Davos conference are very bewildering.

AS SHIP-OWNERS WE ARE ACTIVE GLOBALLY, but our influence on world events are very limited. For eight years nevertheless we have been supporting a Global Health Index for the Oceans. What gets measured gets done. The WEF communion for the world Oceans finds new aspects to divulge upon every year. Thanks to our index we can measure in various parts of the world the frequency of these very aspects. Representing shipping I dare to say that we

can be very proud of our achievements to date to act on a global scale. There are many IMO (International Maritime Organization) agreements in force ratified by most countries in the world. The implementation and control is the duty of flag-states and control is also carried out by the port authorities, where ships load or discharge at. In terms of result I personally believe the IMO organization is one of the best functioning UN organizations. As also China

now starts to embrace environmental concerns the implementation of IMO legislation has vast effects.

Prevention of Pollution by Oil, by Harmful Substances Carried by Sea in Packaged Form, by Sewage from Ships, by Garbage from Ships, by Air Pollution from Ships are codes of legislation already in effect. A Ballast water convention, an important legislation for the reduction of invasive species, will soon be implemented. Within a few years all ships world wide will reduce sulfur emissions to 0,5% which is another example. There is also a convention in place and checked for proper management of ships. Three million people are working on 80.000 ships. 90% of world trade is carried by ships emitting 2,6% of world CO2 down from 3% seven years ago. At present the threats to the oceans are more derived from land and overfishing activities than activities by the merchant fleet. Nevertheless it is only by a sound reporting and follow up system by all parties that discipline will be maintained. I am thinking of the Monitoring, Recording and Verification (MRV) EU regulation that has been in force since July 2015 should soonest be adopted by IMO.

The effect of plastic waste is a new immediate phenomenon damaging the health of the oceans. It is not derived from garbage from merchant ships, but from on land activities. If present trend will continue there will be more tons of plastic waste in the oceans than fish by the year 2050. Today only 14% of plastic waste is recycled. People start looking at Stena Recycling for solutions and we intend to set money aside to do fruitful research in co-operation with other parties.

Stena is a company still held by the founders the Sten A. Olsson family. What signifies founders is a passion for what they set out to do. A passion for trade, a passion for ferrous and nonferrous metals and other waste materials, a passion for ships, a passion for communicating with people and delegating to people, a passion for development and care for details, even though stochastically, were my father's biggest strengths paired with an endless ambition for profitable scale up. Research on long lasting companies show that companies remaining true to their founder's mentality tend to live

long. My little White Book is an example of me trying to keep our traditions alive and adding new aspects thereto. It is nice to have one's beliefs confirmed in a community like Davos. We are on the right path and I hope many of you use Janine Sjöö, Manager Stena Academy, to keep our behavior consistent to our values.

Except low commodity prices especially for oil and the ongoing transformation of China to a consumer economy, the most important trend affecting Stena at the moment is the trend of digitalization and big data. The technological changes we are seeing in the spheres of digital, connectivity, robotics and big data will have a broad impact on all our market. Most gladly we are reasonably fit with knowledge about it and are doing as much as we can to adjust in operations as well as in contact with our clients and suppliers. The implication is the demand for flexibility will increase. On our part we must do everything not only to familiarize the company but also every employee to understand and take on the consequences of the new technology. It is said that the Fourth Industrial Revolution will be disruptive. Luckily for us the demand for a home, energy, transportation and waste collection will not disappear, but competition will increase. On the positive side new technical tools to assist us could help. New services will be created. Why shall we not be the initiator of a few of them?

Education, creating and perfecting skills is something we take pride in at Stena. To survive we all have to be flexible and curious. The main worry of financial markets is the risk of possible negative outcomes of the digital revolution. Growing unemployment, less taxes to support the public sector paired with decreasing productivity paired with increasing duties to integrate refugees can destabilize the world in the near future. On the other hand the world never had so many consumers as now. The middle class of the world amounts at present to more than two billion people. A fantastic improvement achieved over the last twenty years. It will continue though at lower pace. As markets perceive risks as bigger the cost of capital is going up in terms of necessary margins for lenders and shareholders. Central banks reduce interest rates to keep the economy going. Hopefully this will turn out well. Nobody really knows

the answer as this situation is new and has no historic parallel. I tried to find new interesting theories on the subject, but did not find any.

The fast development of science gives us a lot of new knowledge. Neuroscience gives us a better understanding of our brain and behavior. New ways and medicines to treat illness are coming out. As a counterbalance new understanding of Nature will help us. To develop new species of medicine and vegetables is positive. To understand and monitor the health of what we consume is as important and will take a bigger place in the future. Science and understanding of science will give us numerous advantages in the future. To be able to develop new pieces of business taking advantage of new knowledge will be of paramount importance to any country with the ambition to keep a high standard of living in the future. Our research is successful and based on improving our present business activities. An additional direction may be added in the future.

When it comes to refugees the debate on how to limit the flow and integrate those arriving is going on in every country. Stena Fastigheter has just been appointed the best property company in Sweden for our relationship management of our properties. We shall continue what we do with the ambition that everyone living in our properties shall feel safe and we shall continue to support education and activities preparing our tenants and their children to find jobs.

The world's security situation is getting worse and not better. Despite such negative events poverty is being reduced and at present pace it could well be completely extinguished before 2050.

In summary the Davos conference this year showed low spirits. A lot of fear is in the systems despite the fact that so many things are making progress in the real world. As usual we need to prepare ourselves for the worst and as usual be open and curious enough to take advantage of what will come our way.

*Dan Sten Olsson
Gothenburg, 31 January 2016*



Name: Emma Aaben
Title: CSR Coordinator
Years at Stena: 6.5 years in different positions
Age: 33
Family: Husband and son Benjamin, 1 year old
Interests: Spending time with family and friends, working out and travel

Emma has her dream job – working with sustainability and social responsibility

Since autumn 2012, Emma Aaben has been the coordinator for sustainability work at Stena AB. At present, Emma is working part-time and is at home with her son Benjamin the rest of the time. Here, Emma gives us an insight into her work on completing the year's sustainability report.

Text Emma Aaben

Photo Emma Aaben and Ann-Charlotte Ytterberg

MONDAY

My working week begins with work in the home when I'm at home with our son. These days, Monday morning in particular is a favourite morning for us – it's when the refuse lorry arrives. Our son finds it very exciting to watch how

the dustbins are lifted up and emptied into the refuse lorry. The days spent at home are intensive but it's fantastic and a privilege to be able to be there when a child discovers the world.



"Questions involving sustainability and the company's social responsibility interest me a lot, so working with them feels like a dream come true".

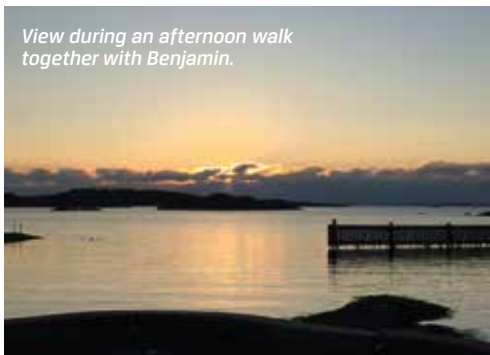
Emma Aaben

WEDNESDAY

Right now, I'm in the middle of an intensive period completing the year's sustainability report. This year it's the fourth time that we will be publishing it. The aim of the report is to highlight many of the current initiatives in the group intended to reduce our environmental impact and make a positive contribution in the community where we do business. One example of the importance of our sustainability work was when the new agreement between Stena Line and the Port of Gothenburg was signed. Stena Line's investments in the environment, such as burning cleaner fuel, shore-side electricity and making use of district heating, contributed to a large degree to being able to retain the central location in Gothenburg.

In my work with the sustainability report, I get to meet representatives of our subsidiaries in order to discuss and challenge them in their sustainability work. Drawing up our sustainability report is a team effort where close collaboration between the business areas and the group has been, and is, crucial for us to be able to produce such a high-quality report as the one we have.

View during an afternoon walk together with Benjamin.



FRIDAY

For a couple of years now, both our sustainability report and our annual report have been made available on our website in a web version with several interactive parts such as films and clickable infographics. One of the features of this year's web version of our sustainability report will be a film of a conversation between Harry Robertson, Technical Director at Stena Rederi, and Tom Boardley, Marine Director, Lloyd's Register. Lloyd's Register recently published a report entitled "Global Marine Technology Trends 2030" and the idea is that their conversation will be about how new technology is forming shipping of the future. So far as Stena is concerned, the development of new technology is in line with a desire to do profitable business that is also sustainable. These goals are not contradictory. Large parts of the day have been devoted to preparing and shooting the film.

I warmly recommend that you keep an eye out for the year's sustainability report at the end of April when it is published. You can find it at: www.stena.com and a printed version will also be available.

SATURDAY

The time for lying in is at an end. These days, our son always wakes us up just before 7 a.m. This has become the starting signal for the day's activities. In the morning I work out and then hurry home and prepare a late lunch at home together with a few friends.

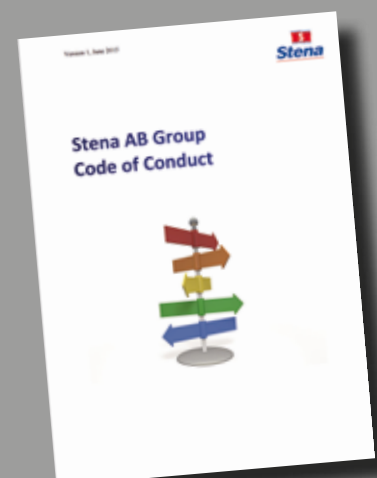
CODE OF CONDUCT E-LEARNING

THE CODE OF CONDUCT outlines the social norms and rules and responsibilities within the Stena AB Group. All members of the Board of Directors and all employees in the Stena AB Group shall follow this Code of Conduct. It is vital that each and every one of us performs our duties in such a way that the Stena AB Group is acknowledged and perceived as economically, socially, ethically and environmentally responsible. The Code of Conduct has been adopted by the board of Stena AB to underscore the principles by which the Stena AB Group conducts relations with business partners, employees and other stakeholders.

It is now time to take the next step and we will during this spring launch an e-learning in order to create a better awareness of what the Code of Conduct means to us all. It will include a number of dilemmas to consider.

More information regarding the Code of Conduct and also the Whistleblower policy can be found on the Intranet, please inform Stena AB Corporate Governance if you can't find it there. The Code of Conduct brochure can be requested from Kontorsservice in Göteborg.

Text Caroline Jakobsson, Head of Corporate Governance



Stena Imperative named in Hong Kong



At the end of January, the IMOII MAX tanker *Stena Imperative* was named in Hong Kong, at the centre of Asia's vibrant trading and financial district.

Text Birgitta Plyhm
Photo SilverBullet

THE VESSEL WAS MOORED at China Merchants Wharf when the many guests from near and far gathered for the naming ceremony. Despite a biting wind, light drizzle and the coldest day in 59 years, it was a very memorable and pleasant naming day. *The Stena Imperative* is the fifth of 13 chemical and product tankers ordered by Stena Bulk from the Chinese shipyard CSSC Offshore & Marine Engineering (CSSC OME) in Guangzhou. Directly after the ceremony, the vessel, with Captain Karan Bembey at the helm, left Hong Kong on her maiden voyage to Papua, New Guinea. There, she will take on a cargo of vegetable oils and then continue on her voyage to Europe where she will discharge her cargo in Barcelona and Rotterdam. ■

FACTS STENA IMPERATIVE

Type of vessel: IMOII MAX MR-tanker

DWT: 50,000

Length: 183 metres

Beam: 32 metres

Other facts: 18 tanks, each with a capacity of 3,000 m³. Able to transport both vegetable oils and chemicals such as oil and petroleum products. Will be part of a fleet operated by Stena Weco and sail in the company's global logistics system, which currently employs more than 60 vessels.

2015 PHOTO COMPETITION DECIDED

Congratulations to the prize winners Manvir Matharu, Artem Giniatullin, Nandini and Samo Mlinar and also to the winners of the special prize Jismon James and Artem Giniatullin (again) for fantastic photos. **Read more in *SfärNytt* online.**



First prize: USD 1,000.

The photo was shot during a drill on board the Stena Conquest, when the life-boat was being tested.

Photo: Manvir Matharu, 3rd mate, Stena Conquest.

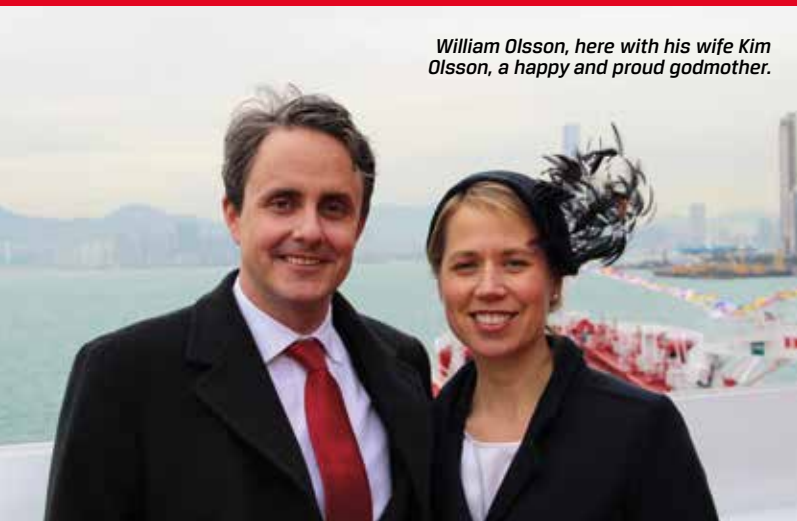




Dan Sten Olsson, CEO, Stena AB.



William Olsson, here with his wife Kim Olsson, a happy and proud godmother.



The godmother with family and representatives of management, the owners, partners and the shipyard as well as the vessel's master.



Erik Hånell, CEO, Stena Bulk, was delighted with the new addition Stena Imperative, built in accordance with the IMO IIMAX concept, which has already met all expectations.



In conjunction with the naming ceremony, a donation was handed over to Guangzhou Shipyard Hospital, which is located close to the shipyard in Guangzhou and where the shipyard employees have access to good health and medical care.



2

Second prize:
USD 500.

The wrong camera setting resulted in a more interesting photo with blurred edges and the focus on the centre of the image.

Photo: Artem Giniatullin, 2nd mate, Stena Clear Sky.



3

Joint third prize: USD 250.

Left: Ice navigation in the Baltic Sea.
Photo: Nandini, trainee, Stena Arctica.

Right: Surface treatment and cosmetic maintenance of the ship's funnels and the Stena Shipping S. Photo: C/O Samo Mlinar.





Development towards new levels

More than 10,000 improvements in two years, this is what Stena Way of Production, SWOP, has achieved in the Stena Metall group. In addition, the employees, each of who have played a part in this success, have become more involved.

Text and photo Stena Metall

ALL THE SPANNERS HANG in perfect order on a pegboard. Neat rows of storage shelves with boxes containing spare parts fill the spotless floor. This sounds like a description of the local hardware store just before opening time. But this is a scene from Stena Recycling's fragmentation plant in Huddinge outside Stockholm.

It is 7 a.m. on Thursday morning and Erika Malmström, the plant's production manager, is standing in the workshop with her hands resting on a large table. Around her are all the employees and behind them is a crescent of whiteboards, the plant's bulletin board.

Safety is the first item on the agenda for the morning meeting, which is headed by Sirpa

Pettersson, the safety officer. A whiteboard displays the fact that there has been no accident for 132 days.

"Then, it was a little thing, a sprained ankle, and that was a pity because we'd reached 2,010 accident-free days when that happened", she explained afterwards.

Part of the safety work consists of a so-called Safety Walk where they look at deviations and talk with colleagues about what has happened. Today, there is nothing to remark on and the meeting moves on to quality. Here, they discuss the situation regarding ferrous scrap and other materials.

In the production section, we can see that the subject of today's work will be aluminium.

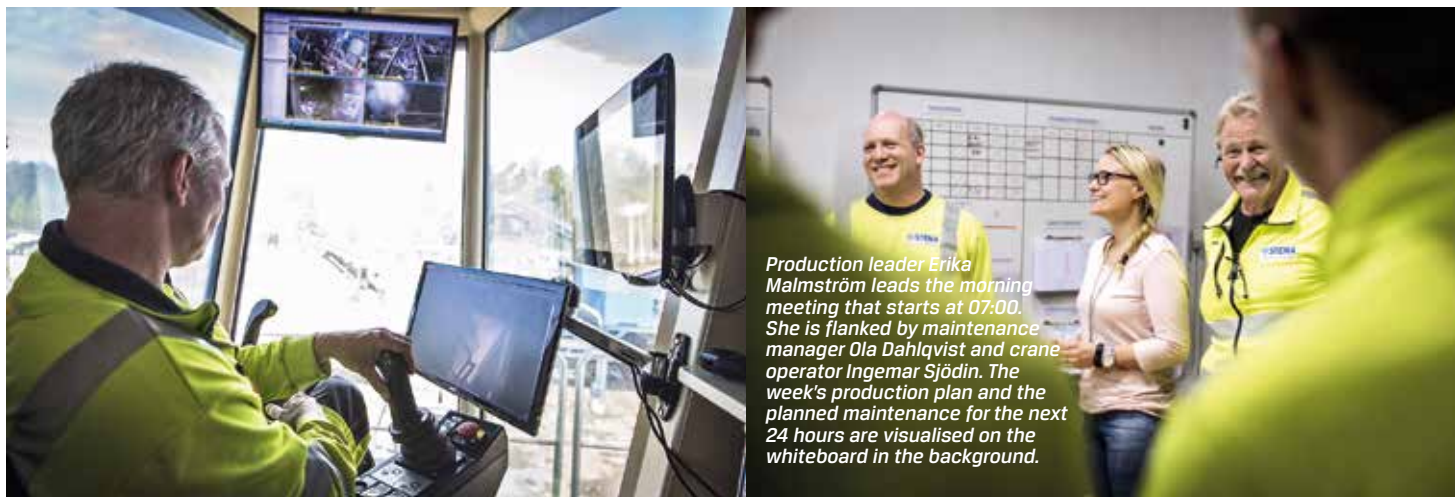
Nicklas Karsberg, left, is in charge of SWOP development at all Stena Recycling's production facilities. Johan Brinell, right, is production manager in Huddinge outside Stockholm.

SWOP: STENA WAY OF PRODUCTION

is a change process in the Stena Metall group, which aims to increase competitiveness and at the same time get the employee to become more involved in the success of his production facility.

- Continuous improvements that result in an organisation that every day is better than the day before.
- Set targets and measure everything. Everybody must know what expectations there are and get feedback on these expectations every day.
- Create process stability. Measure stoppages in the whole production line.
- Increase the value of materials, reduce negative fractions and increase efficiency in the process. Activities that do not generate value for the customer must be removed.
- We will benchmark and learn from each other in all the group's production units.

With SWOP, the mill operator has to log every stoppage. This makes it possible to learn when and why the stoppages occur.



Production leader Erika Malmström leads the morning meeting that starts at 07:00. She is flanked by maintenance manager Ola Dahlqvist and crane operator Ingemar Sjödin. The week's production plan and the planned maintenance for the next 24 hours are visualised on the whiteboard in the background.

On this whiteboard too, disruptions in production are measured. Together, the whiteboards provide a quick overview of the status in the facility. They also show who is responsible for what.

PLANNING FOR MAINTENANCE is done on the maintenance whiteboard. Each employee has an area of responsibility and all the areas of responsibility are represented on the whiteboard, with a card for each subarea. When a task has been completed, the card is turned over to show its green side and what remains to be done can be clearly seen.

"Sorting out the problems on the whiteboard creates a learning organisation which every day is a little better than the day before. This visualisation also increases the involvement of every employee", says Erika.

In about the same way, the key figures are visualised on yet another whiteboard, which shows what expectations there are in the workplace as a whole.

"Before we began with this, we were unstructured. There was no overall picture of what had to be done and there was a lot coming and going. Also, the information seldom reached the employees and decisions made were not always based on facts", she says.

"Overviews and instructions in every area have made a great difference", says Johan Brinell, the manager in Huddinge, as he opens the door to the shredder's cab. The operator has to log every stoppage.

Before the mill can be started up again, the operator has to record what caused the stoppage. This gives a picture of what stoppages are most common and when they occur.

THE MAINTENANCE MANAGER Ola Dahlqvist is also positive.

"SWOP has taken us to new levels and insights", he says, referring in particular to how they themselves manage the maintenance of the plant today compared with two years ago. Today, all the personnel work with maintenance 30 minutes every day instead of hiring three people who each worked eight hours with it every day", he says.

Klaus Rasmussen is the SWOP coordinator at Stena Recycling's plant in Grenå, Denmark. He thinks that there is a lot of value in the new way of working, not least the morning meetings

"The morning meetings are golden", he says. "Here, we go through all the deviations – all the stoppages, all the problems we haven't been able to solve and too low results – and so we

fix it directly on site. As a result, production stoppages have fallen from 36 percent of the working hours two years ago to seven percent today.

Nicklas Karsberg is in charge of the development work with SWOP at all the production plants in BA Recycling.

"So far, we reckon that we have carried out more than 10,000 improvements since we began working with this", Nicklas says, "and that's on the low side. In the beginning, it was a question of getting started and beginning where it would have the greatest impact on drive and a positive attitude".

To show what he means, we go to "the cleanest hydraulic room in Sweden". Just like the Steiner room, the mill cab and the other areas, it is neat and clean.

Today, all the business area Recycling's production facilities have begun to implement SWOP and many of them have reached what they call "wave three".

"It's great fun seeing what we've begun and that we are well on our way. It's extra nice because there's not only one person behind the successes we have achieved. If we are to be successful, everybody must be involved", says Mats Ottosson, Director Production, business area Recycling. ■



"When the going gets tough, the tough get going"

The Stena Carron quayside at the Astican Shipyard, Las Palmas.

In June 1981, Time Magazine stated, "the world temporarily floats in a glut of oil." Here we are, nearly 35 years later facing the same, comparably worse crisis, bringing the oil and gas industry to its knees.

Text and photo Chris Clark, Stena Drilling

THE STENA CARRON, IN A DRAMATICALLY OVERSUPPLIED UDW MARKET, which currently sits at just 85% utilisation, found herself setting sail for Las Palmas following Statoil's decision to cancel her contract in Angola on 21st November 2014. This was the sixth rig cancelled in 2014 and a bleak forecast for the industry, considering there was another two years to run on the contract. The deactivation of a rig is a sobering experience. Particularly when it happens to one of Stena Drilling's highly acclaimed DrillMax series – *the Stena Carron*. She was delivered in 2008 and on its maiden charter she sailed to the West of Shetland to commence operations with Chevron. All that remained in that moment of being deactivated was a minimal skeleton crew of around 30, retained only to perform general maintenance and repairs. Following an initial baseline inspection, the focus turned toward preservation whilst the rig was marketed before tougher decisions were faced. This being in a marketplace where the average UDW tender was seeing around 20 bids.

NEVERTHELESS, IT IS ALWAYS DARKEST JUST BEFORE THE DAWN

In Early-December 2015, nearly a year to the day following its cancellation, in the aftermath of a highly competitive bidding process, Christmas came early for Stena Drilling as the news was broken that an agreement had been reached between ExxonMobil and Stena Drilling that would see the Stena Carron re-activated from her warm stacked status to work in Guyana through 2016.

This is a massive achievement for Stena Drilling. Not only to keep its fleet mostly operational in a market where most drilling contractors are spending money and scrapping units but to win contracts with another one of the world's most prominent supermajors. This is not by coincidence. The best in class like to work with the best in class and this pays great testament to our company's hard earned reputation over the years.

Typically, the holiday season is generally a quiet time for the industry as companies reassess budgets and minds sink into vacation mode. By contrast, *the Stena Carron* was a hive of activity as the logistical challenge of re-activating a warm stacked, 6th generation drillship began. Re-activation includes de-preservation of the unit and re-commissioning to bring it back to a safe and reliable operational condition. This involves mobilising personnel from all over the world, reactivating sophisticated equipment and countless man hours in order to appease Classification authority standards, as well as upgrading various aspects of the rig in order to meet Exxon's own specific requirements for operating in Guyana. Fortunately, Stena Drilling's people are used to dealing with major projects like the 5-yearly Special Periodic Surveys.

Just over a month after the contract announcement, *the Stena Carron* departed on 12th January from the Astican yard in Las Palmas. She arrived upon location in Guyana on 23rd January 2016 and is back doing what she does best, at time of writing, *the Stena Carron* is spudding the first well of this year long campaign on, bringing to a close the darkest chapter of her short life.

Enough can never be said about the people who make this all possible. People who sacrifice months at a time from their families, both onshore and offshore, overcoming new and un-

expected challenges even when the immediate future of the industry is uncertain and unpredictable. This continually drives us to hope we can safely navigate the remainder of this downturn, in the face of adversity where other drilling contractors are haemorrhaging people and fleets. When the going gets tough, the tough get going. ■



COLLABORATION WITH SCHOOL CONTRIBUTED TO RECORD RISE IN NUMBER OF GRADUATING PUPILS

At Hermodsals School in Malmö, the number of 9th graders who are eligible to continue studying has increased by a record-high 22 percent. This is the result of a long series of efforts where Stena Fastigheter has contributed with structured homework help, math projects and inspiration for future studies and career choices.

"We are very pleased, not least for the sake of the pupils, they have worked hard for this. The fact that Stena Fastigheter can help with homework, and thus get more pupils to enrol in upper secondary school feels great", says Unni Sollbe, CEO, Stena Fastigheter Malmö.

Stena Fastigheter has been collaborating with Malmö Hermodsals School for a couple of years in various efforts to raise grades and contribute to an attractive school. An important goal is that more people will be eligible to apply for further education – which was also successful. Last year, 66.7 percent of the ninth graders were eligible to apply to upper secondary school. This year, the proportion had risen to as much as 81.6 percent – a record increase of 14.9 percentage points, or more than 22 percent.

During the previous school year, Stena Fastigheter supported the math project Mathivation at Hermodsals School. The aim of the project is to increase young people's interest in and knowledge of mathematics. Beginning last autumn, Stena Fastigheter has also been contributing with three hours of structured homework help once a week. This is being done via the association Drivkraft with financing from Stena Fastigheter and is tailor-made for Hermodsals School. Twenty of the 32 pupils in the 9th grade are receiving homework help. The pupils who participate will be offered summer jobs at Stena Fastigheter next summer and in this way, an extra incentive is offered. More than half the pupils who participated in this project live in apartments owned by Stena Fastigheter.

"Homework help has contributed to the excellent results when it comes to grades. There are many factors involved and we have been working for several years to raise the school's standard. An important piece of the puzzle is to gain the pupils' trust and expect them to succeed", says Peter Abrahamsson, the headmaster of Hermodsals School.

Last autumn, Stena Fastigheter also helped start up the project "A day at work" at Hermodsals School. For the project, Stena Fastigheter has persuaded its commercial tenants – i.e. different companies and organisations in Malmö – to come out and talk about their work and how they got there. In this way, the young people's knowledge about different professions and possible options in life are broadened. ■

THE STENA SPHERE Management Organisation



Sphere coordination group

Dan Sten Olsson
 Carl-Johan Hagman, Shipping & Ferry Lines
 Tom Welo, Offshore Drilling
 Christel Armstrong Darvik, Property
 Anders Jansson, Recycling, Environmental Services & Trading
 Martin Svalstedt, New Businesses
 Staffan Hultgren
 Peter Claesson
 Eva Hansdotter

BUSINESS AREAS



OWNERS

