By better coordinated purchases of chemicals and other agents, Stena succeeded in reducing the use of chemicals on vessels by about 10% in 2014. Stena Line is running a local test project in Gothenburg, aimed at replacing chemicals with more environmentally friendly alternatives.
ABOUT THIS REPORT

This is the Stena Group’s third sustainability report, which is complementary to the Annual Report and the Annual Review.

Sustainability at Stena is essentially based on three pillars:
- **financial responsibility**, which contributes to economic development;
- **environmental responsibility**, where the goal is to reduce our impact on the environment; and
- **social responsibility**, where we shall act ethically in everything we do.

This report contains examples and key indicators relating to the Stena Group’s work in these areas. The information in this report concerns Stena AB.

BUSINESS CONCEPT

By using our competence in, above all, service, trading and ships, to make money in the business areas shipping, ferry lines, offshore, real estate and finance.

To create new companies for the future.

To take care of our most important asset in the long term, our customers, in such a way that we contribute to their development as well as that of society.

RESPONSIBILITY IN OUR BUSINESS RELATIONSHIPS

By building long-term relationships with our customers, suppliers and subcontractors, we are committed to delivering high quality and best-value services.

We meet the highest safety standards. Trust is the basis of all our relationships in society.

Our responsibility is to meet our customers’ expectations in respect of responsible business practices.

We have high standards of corporate social responsibility, which we share with our business partners. We may withdraw from a business relationship if we feel that the standards we uphold are not being met by a business partner.

We are committed to comply with the standards formulated by the Logistics & Transportation Corporate Citizenship Initiative (L&TCCI) of the World Economic Forum.

ABOUT THIS REPORT

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Envac opened northern Europe’s most modern vacuum system in Sundbyberg in September. When fully developed, the facility will handle waste from 6,000 homes as well as the local schools, with a reduction of up to 90% in heavy traffic in the area.

In September, Stena Bulk and Stena Sonangol Suezmax Pool received a Green Flag award from the Port of Long Beach, California. The award is given to vessel operators that comply with the Green Flag regulations for reducing speed, thereby cutting down emissions.

In Gothenburg, a unique district heating connection to the ferry Stena Danica was inaugurated in December. This is the first time a ship in regular service has been connected to the district heating network. The connection means an annual reduction in carbon dioxide emissions of about 500 tonnes in Gothenburg.
The Stena Group contributes to society in various ways. Activities in Shipping and Ferry Lines involve the transportation of goods, vehicles, raw materials and passengers. The transport stimulates increased trade and ensures that some of the global energy needs are met. Stena is also a major producer of renewable electricity in Sweden and provides many people with safe accommodation in the Group’s properties.

**Priority sustainability issues**
The sustainability issues identified as most important for Stena are those related to the environment, safety and community involvement. Environmental sustainability is mainly about energy efficiency measures on land and at sea aimed at reducing consumption and therefore the impact on the environment. Shipping is the most environmentally friendly mode of transport in relation to cargo volume, and about 90% of world trade is conducted over the oceans. However, there are major advantages – both environmental and economical – to be gained from improving the efficiency of operations and reducing energy consumption.

In the area of safety, the focus is on ensuring that crews and employees are safe and secure at their workplaces and on taking good care of the passengers, goods and materials transported. Community involvement is demonstrated by a long list of local activities in the areas where the Group’s companies operate and by support of selected international projects.

**Organisation of sustainability efforts**
Stena has Group-wide policies on the environment and safety. Each individual company is responsible for formulating its own environmental and safety goals, based on its own operations. The companies have individuals who are responsible for environmental and safety work, and for following up the results at company level. There is a function responsible for sustainability issues at corporate level.

**CEO COMMENTS**
**CARE CREATES SUCCESS**

Stena’s film, Take Care, reflects how we bring life to “Care” in the Stena Sphere. One of our employees says:
“Our children should also be able to swim in the sea.”

This is, in all its simplicity, one of the goals of our sustainability efforts. The environment is one of the many areas in which we continuously strive for improvement. “Care, Innovation and Performance” are the core values of our organisation. Stena’s operations are only sustainable if we all, through care and efficient performance, contribute to our customers’ and society’s success every day. So – Take Care!

Gothenburg, April 2015
Dan Sten Olsson, CEO Stena AB
Here we present Stena’s sustainability efforts in numbers, in the form of a range of economic, environmental and social indicators.

The indicators presented in this sustainability report are complementary to Stena’s annual report. All indicators are currently reported at an aggregate level for the entire Group and provide an overview of the Group’s development financially, environmentally and in terms of personnel. The financial and social indicators are taken from the annual report.

The Stena Group’s fleet of tankers, ferries and drillships are the basis for the environmental indicators. The fleet, which has grown by 12% since 2012, is controlled, leased or owned by Stena companies. It includes many diverse vessel types with different trading patterns, making it difficult to obtain accurate comparative figures. For this reason, the environmental indicators are reported in absolute figures for the total fleet.

Fuel consumption for the full fleet in 2014 increased by 3% in absolute figures as a result of an increased fleet, freight volumes and distance sailed. At the same time, fuel efficiency improved by 14.7%, measured in tonnes/kilometre, and by 2.2%, measured in tonnes/nautical mile. This indicates that the whole fleet has become more efficient.

**INCREASED DISTANCE SAILED**

- **Stena Line**: 2,700 thousand nautical miles
- **Stena Bulk**: 2,025 thousand nautical miles
- **Stena RoRo**: 1,350 thousand nautical miles
- **Concordia Maritime**: 675 thousand nautical miles

For Stena Drilling’s units, distance sailed are not registered.

**IMPROVED FUEL EFFICIENCY**

Grams of fuel/tonne-km

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stena Line</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Stena Bulk</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Stena RoRo</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Concordia Maritime</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

**VESSELS’ CO₂ EMISSIONS 2014, %**

- **Stena Line**: 42%
- **Stena Bulk**: 31%
- **Stena RoRo**: 10%
- **Concordia Maritime**: 9%
- **Stena Drilling**: 8%

Total 3.2 million tonnes CO₂

1) Concordia Maritime’s majority owner is Stena Sessan AB.
FINANCIAL INDICATORS

<table>
<thead>
<tr>
<th>MSEK</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>27,388</td>
<td>30,240</td>
<td>33,563</td>
</tr>
<tr>
<td>EBITDA(^1), excluding asset sales</td>
<td>7,060</td>
<td>7,947</td>
<td>9,645</td>
</tr>
<tr>
<td>Income before tax</td>
<td>1,777</td>
<td>2,148</td>
<td>2,799</td>
</tr>
</tbody>
</table>

1) Earnings before interest, taxes, depreciation and amortisation.

ENVIRONMENTAL INDICATORS\(^1\)

<table>
<thead>
<tr>
<th>Energy consumption</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of vessels in the report</td>
<td>98</td>
<td>109</td>
<td>110</td>
</tr>
<tr>
<td>Total distance sailed (1,000 nm(^2))</td>
<td>4,719</td>
<td>5,545</td>
<td>5,848</td>
</tr>
<tr>
<td>Total fuel consumption on vessels (1,000 tonnes)</td>
<td>881</td>
<td>1,012</td>
<td>1,045</td>
</tr>
<tr>
<td>Total energy consumption on vessels (TJ)</td>
<td>35,683</td>
<td>40,968</td>
<td>42,694</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Greenhouse gas emissions</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO(_2) emissions (1,000 tonnes)</td>
<td>2,727</td>
<td>3,134</td>
<td>3,239</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other emissions</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>NO(_x) emissions (1,000 tonnes)</td>
<td>54</td>
<td>63</td>
<td>67</td>
</tr>
<tr>
<td>SO(_x) emissions (1,000 tonnes)</td>
<td>20</td>
<td>25</td>
<td>27</td>
</tr>
</tbody>
</table>

1) Refers to Ferry Lines, Offshore drilling and Shipping. The vessels in this report have been limited to those for which Stena has operational control over fuel purchasing, routing speed etc. Vessels that are leased to external customers are not included. With effect from this report, LNG is included in fuel consumption and emissions. The years 2012–2013 have therefore been recalculated compared with last years sustainability report.

2) For Stena Drilling’s units, distance sailed are not registered.

SOCIAL INDICATORS

<table>
<thead>
<tr>
<th>Employees</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of employees(^1)</td>
<td>10,565</td>
<td>11,348</td>
<td>11,231</td>
</tr>
<tr>
<td>Women (%)</td>
<td>29</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Women on the Board (%)</td>
<td>20</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Women in Executive management (%)</td>
<td>10</td>
<td>12</td>
<td>22</td>
</tr>
</tbody>
</table>

1) Employees with a permanent employment contract with Stena affiliates. Currently does not include seagoing contract staff or various types of short/temporary employment contracts.
PERSONAL DEVELOPMENT INCREASES COMPETITIVENESS

An important part of Stena’s business is about helping employees in skills development, both to support the company’s needs but also the employee’s personal development and job satisfaction.

Competent managers in the Stena Group must be able to develop both their own activities and their employees. In 2014, Stena therefore developed new tools and processes for further development of the Group’s managers. An initial survey of managers and their skills has been conducted for the purpose of defining priority areas for further development. An important parameter is also to identify tomorrow’s managers in order to ensure succession within the Group.

Cooperation between HR managers at the different Group companies has created awareness about the resources and opportunities available within Stena, which contributes to increased opportunities for the exchange of personnel and new career paths between the companies.

In January 2015, a new management development programme was launched, and 125 managers in the Group are taking part in the first session over a period of 12 months. The aim is for participants to prepare for future challenges, build networks between companies and get to know their own strengths and weaknesses. Similar activities will continue next year with more managers, key personnel and experts in various parts of the Group.

MENTORING PROGRAMMES DEVELOP EMPLOYEES AND OPERATIONS

Stena currently has many different types of activities spread over large parts of the world. A focus on internal development work is important in maintaining and developing Stena’s successful business model. Since 2010, the Stena Sphere has run an internal mentoring programme that is aimed at creating meetings and knowledge-sharing between Stena’s employees from different areas.

Niclas Ingeström of Stena IT and Emelie Ekberg from Business Administration were two of the participants in the programme during 2013–2014.

Niclas: It’s absolutely brilliant that Stena has a mentoring programme. I love to see people around me grow, and that’s why I wanted to take part. The most important thing is that you’re involved and share your experiences. It’s really good that different companies and departments are part of the programme, as this contributes to greater knowledge about Stena and gets the Group to grow.

Emelie: When I was asked to participate in the mentoring programme I saw it as a great opportunity. You get to know about other parts of the Group, and you also have an experienced mentor who can share their thoughts and experiences. Niclas has got me to grow and move forward in my professional role and I’ve achieved the goals we set at the beginning of the programme. I’ve received practical advice and tools that will benefit me for the rest of my life.
STENA VOICE

Stena Voice is a regular employee survey of how employees perceive their overall work situation, and is completed by all Stena employees. The survey questions relate to working environment, performance management, organisation, human resources and leadership. The survey is conducted every 12 or 18 months depending on the company and is measured on a scale of 1–5.

RESULTS FROM STENA VOICE

<table>
<thead>
<tr>
<th>Stena AB Group excl. Stena Line</th>
<th>2010</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance appraisal (% of staff)</td>
<td>70%</td>
<td>83%</td>
<td>85%</td>
</tr>
<tr>
<td>Stena Voice results</td>
<td>4.51</td>
<td>4.46</td>
<td>4.47</td>
</tr>
<tr>
<td>Departments with over 4.0 in Stena Voice</td>
<td>91%</td>
<td>89%</td>
<td>91%</td>
</tr>
<tr>
<td>Stena Voice response rate</td>
<td>97%</td>
<td>99%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Stena Voice is conducted every 18 months in these companies. The next survey takes place during 2015.

<table>
<thead>
<tr>
<th>Stena Line</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance appraisal (% of staff)</td>
<td>81%</td>
<td>72%</td>
<td>71%</td>
</tr>
<tr>
<td>Stena Voice results</td>
<td>4.16</td>
<td>4.11</td>
<td>4.09</td>
</tr>
<tr>
<td>Departments with over 4.0 in Stena Voice</td>
<td>74%</td>
<td>69%</td>
<td>65%</td>
</tr>
<tr>
<td>Stena Voice response rate</td>
<td>95%</td>
<td>93%</td>
<td>93%</td>
</tr>
</tbody>
</table>

Stena Voice is conducted every 12 months in this company.

SAFETY ON BOARD

For Stena, care is important in all activities. A safe and secure workplace is conducive to more efficient operations. Comprehensive safety work is carried out on a daily basis on board Stena’s vessels and drilling rigs.

LTIF

Lost Time Injury Frequency is a measure of workplace safety used for the crew on board. LTIF is stated as the number of Lost Time Incidents (injuries that leave the employee unable to work the following day) per million exposure hours worked.

<table>
<thead>
<tr>
<th>Health &amp; Safety, LTIF</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMM</td>
<td>0.35</td>
<td>0.36</td>
<td>0.58</td>
</tr>
<tr>
<td>Stena RoRo</td>
<td>0.00</td>
<td>0.77</td>
<td>0.39</td>
</tr>
<tr>
<td>Stena Drilling</td>
<td>0.51</td>
<td>0.58</td>
<td>0.00</td>
</tr>
<tr>
<td>Stena Bulk</td>
<td>0.20</td>
<td>0.18</td>
<td>0.18</td>
</tr>
<tr>
<td>Stena Line1)</td>
<td>2.83</td>
<td>2.19</td>
<td>1.82</td>
</tr>
</tbody>
</table>

1) Including service staff for passengers

"By giving visibility to both people and the possibilities that exist in our operation, the company’s resources can be utilised in the best way."

– Eva Hansdotter, HR Director, Stena AB
The Ocean Health Index is an integrated scientific framework that combines key elements from all dimensions of ocean health: biological, physical, economic and social.

The Ocean Health Index was founded in 2010 as a coalition of 65 scientists and 23 institutions with the aim of becoming a global reference for the health and productivity of the world’s oceans. It provides a transparent framework that will allow informed and consistent decisions. By communicating the state of the world’s oceans, from all dimensions of the ocean’s health, the Index builds awareness and catalyses decision makers to develop and implement more effective policies. This promotes improved ocean health and sustainable business development on both regional and global scale.

Stena has supported the work of the organization since 2012, when the first report was published. With Stena’s backing, the Ocean Health Index has advanced to producing targeted regional assessments in addition to continuing with its historic work at the global scale.

By allowing for the combination of different types of old and new data across the identified key areas, the Index measures how well a country, a region and even the world as a whole is managing for ocean health. Over 120 databases across the world are used to employ the most up-to-date information. Since its foundation, several regional assessments of coastal oceans (from shoreline to 200 nautical miles offshore) have been made. In 2014, the first truly global assessment, which included Antarctica, the Southern Ocean, and other international waters, resulted in a weighted score of 67 out of a maximum of 100.

The 2014 global score of 67 indicates that there is need for improvement and identifies global priorities. The Ocean Health Index has been adopted or endorsed by a number of international bodies, such as the World Economic Forum, and highlighted as a major knowledge resource by the UN World Ocean Assessment, through which these priorities will be put forward.

"Stena is the first ship-owning company to support the Ocean Health Index from its launch, and this is really important, because we need corporate leaders who appreciate how critical it is that the world has a global and data-based measurement tool to set priorities for policy and practices at both regional and global scales."

- Peter Seligmann, the founder of the Ocean Health Index
How inappropriate to call this planet "Earth", when it is quite clearly "Ocean."

ARTHUR C. CLARKE

10 COMPREHENSIVE BENEFITS
Provided by the world’s oceans and assessed by the Ocean Health Index

1. Food Provision
2. Artisanal Fishing Opportunities
3. Natural Products
4. Carbon Storage
5. Coastal Protection
6. Sense of Place
7. Coastal Livelihoods & Economies
8. Tourism & Recreation
9. Clean Waters
10. Biodiversity

71% of the earth’s surface is covered by oceans.

99% of the space on the planet that is occupied by life is found in oceans.

500 million jobs are created by ocean-related businesses.
OUR BUSINESS AREAS

FERRY LINES
The Ferry Lines business area consists of Stena Line, one of the world’s largest ferry operators, focusing on freight and passengers. Stena Line operates 22 routes in northern Europe, with about 40 vessels, and is an important part of the European logistics system. Stena Line also owns five ports.

OFFSHORE DRILLING
Offshore Drilling, consists of Stena Drilling based in Aberdeen, a world leader in the design, construction and operation of oil rigs and drillships. The company has a growing fleet of high-quality units and has often been a pioneer in technological development in the offshore industry.

SHIPPING
The Shipping business area consists of Stena Bulk, Stena RoRo, Northern Marine Group and Stena Teknik.

STENA BULK
Stena Bulk is one of the world’s leading tanker operators with worldwide operations. The company controls just over 110 vessels for the transport of crude oil, refined petroleum products, vegetable oils and gas (LNG) from offices in Houston, Copenhagen, Gothenburg, Singapore and Beijing.

STENA RORO
Stena RoRo provides RoRo and RoPax vessels, technical expertise and project management to customers across the world. Stena RoRo owns about 20 vessels and has extensive experience in upgrading and converting vessels, and to develop customised solutions for efficient transport.

STENA TÉCNICO
Stena Teknik is a unique resource for all maritime operations in the Group. With its competence and experience, primarily in shipbuilding, ship operation and contracting, Stena Tekník contributes to solutions for increasing efficiency and competitiveness. The business comprises newbuilding and conversion projects, technical consultancy and procurement.

NORTHERN MARINE GROUP
Northern Marine Group (NMG) is an international ship management company based in Glasgow in Scotland. With about 7,000 dedicated seagoing employees, the company runs a fleet of more than 100 vessels from a large network of offices. NMG also offers a wide range of services, including ship agency, catering, project management and maintenance.
FINANCE
Stena Finance handles the Stena Group’s financing and manages the business units’ financial risks on the interest rate, currency and oil markets. Stena Finance also manages the Group’s liquidity and functions as support in identifying, analysing and conducting new business. More information about the business area can be found in the Stena AB Annual Review.

STENA ADACTUM
Stena Adactum makes long-term investments in listed and unlisted companies. The goal is to build strong companies that can grow into new business areas in the Stena Group. The business area consists of the subsidiaries Stena Renewable, Ballingslöv, Blomsterlandet, Envac, Mediatec Broadcast, Mediatec Solutions, and ownership interests in Gunnebo and Midsona.

PROPERTY
The Property business area consists of Stena Fastigheter, one of the largest privately-owned real estate companies in Sweden, and Stena Realty BV. The portfolio consists primarily of rental units in Sweden, but also contains commercial properties. Stena Fastigheter’s goal is to build 500 new apartments every year.
Under the new directive, the maximum permissible sulphur content for marine fuels is 0.1%, compared with 1% previously and currently 3.5% in the rest of the world. The consequences for the shipping industry are substantial, as vessels sailing in these areas either have to switch to more expensive low-sulphur fuels or invest in various types of exhaust cleaning systems on board. However, it will result in more energy efficient shipping and a further reduction in emission levels, particularly sulphur oxides (SO\textsubscript{X}) but also dust and particulate matter (PM), and will allow shipping to consolidate its position as the “green” transportation option.

To meet the new directive in the best way for each vessel’s special conditions in terms of engine type, speed, age and route, Stena uses several alternative solutions. An exciting project involves evaluating brand new fuels for shipping. Stena has, for example, been working for several years to investigate the feasibility of using methanol as a sustainable marine fuel.

In 2014, it was decided to convert the large RoPax ferry Stena Germanica to run on methanol. The conversion will significantly further reduce emissions of SO\textsubscript{X}, PM and nitrogen oxides (NO\textsubscript{X}). Following the conversion during the first quarter of 2015, Stena Germanica will be the world’s first methanol-powered ferry. The project has received a lot of attention and is supported by the EU.

To avoid accidents in operations as far as possible, Stena Line works in a proactive and structured way on a risk management system aimed at assessing and minimising potential risks that may arise. All shore-based and seagoing employees must have an understanding of the risks involved in their work, and how these risks should be managed.

LTIF in Stena Line’s operations has decreased for three consecutive years. Despite this, and to great sorrow, a tragic accident occurred during the year in which an employee died after an accident while unloading a ship in Fredrikshamn. As a result, safety procedures have been reviewed and routines in the interface between ship and quay has been strengthened to the effect that, for example, there must always be two sailors present during loading and unloading so that one can keep watch.

2015 will also see the start of the implementation of a new common digital safety system for terminals and ports.
Since Stena Line’s energy-saving programme was initiated in 2006, over 200 projects have been implemented under the programme. The overall target is an annual reduction of 2.5% in bunker consumption per nautical mile. The target was exceeded in 2013, but a higher cargo intake, increased displacement and unusually severe weather in the Irish Sea in the first quarter meant that consumption was only reduced by 1.4% in 2014.

Stena Line’s about 40 vessels and 22 ferry routes link key ports, rail and road connections in Europe and Russia. Carrying 50 million tonnes of cargo, 11 million passengers, 2.2 million cars and 2.0 million trucks or trailers per year, Stena Line is a large and important part of trading and logistics in Europe. On average, a Stena Line ferry departs from a port every 20 minutes, 24 hours a day, all year round. Below are some examples of this flow.

1) Stena Line in 2014 including 100% of the traffic Helsingborg–Helsingør.
The method behind root cause analysis is called the 5 WHY & WHY Tree and is based on asking the question “Why” until the underlying source of the problem/accident has been identified. It is important to ensure that it is the actual cause that is found, in order to prevent the problem from happening again. In addition, the measures required to eliminate the root cause must be specified, measurable and realistic to implement.

Root cause analysis training is conducted by an external party and consists of a two-day course culminating in an examination. At the end of 2014, 87 people – mainly managers, supervisors and safety staff – had completed the training.

During the year, Stena Drilling introduced root cause analysis training for senior crewmen and officers on ships and rigs. The aim is to improve their ability to see the root causes of why accidents occur, which will make them more adept at avoiding accidents in the future.

“The training was very worthwhile. I had previously done accident investigations, but it was very useful to learn the method of the 5 WHY & WHY Tree as per updated procedures. It was also good to share opinions and experiences with the other participants,” says Alan.

The training is based on theory and practical examples, which Alan appreciated. After returning to his workplace, he has held accident investigation workshops for colleagues on board, and shared the knowledge he gained from the training. Overall, Alan was very satisfied with the training.

“It would be useful with a re-training session in a couple of years, to continue to move forward and keep the knowledge up-to-date,” he says.
ENGAGEMENT ABOVE INDUSTRY AVERAGE

Stena Drilling is an active member of “Step Change in Safety”, an organisation made up of representatives from the oil and gas industry in the UK. The organisation’s vision is to make the UK the safest place in which to work within the global oil and gas industry.

This collaboration has led to the development of a cross-sector employee survey called the Workforce Engagement Survey. The goal of the survey is to find out whether employees, in addition to following the rules, are also encouraged to actively work to improve safety.

More than 10,000 employees in the oil and gas industry have taken the survey. Stena Drilling introduced the survey in 2013, and by the end of 2014, the crews of the company’s entire fleet had conducted the survey. A total of 988 employees took part and the results show that engagement in safety matters by Stena Drilling’s employees is above the industry average.

SAFE HANDLING MINIMISES OIL SPILLS

In 2014, oil spillage from Stena Drilling’s operations amounted to 1 litre. This should be seen in relation to Stena Drilling’s annual handling and consumption of about 80,000 tonnes of fuel and 800 m³ of hydraulic oil on board the units.

TOTAL OIL SPILLAGE

<table>
<thead>
<tr>
<th>Year</th>
<th>Litres of oil</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12</td>
</tr>
<tr>
<td>2012</td>
<td>9</td>
</tr>
<tr>
<td>2013</td>
<td>6</td>
</tr>
<tr>
<td>2014</td>
<td>0</td>
</tr>
</tbody>
</table>

A YEAR WITHOUT LOST TIME INCIDENTS

Stena Drilling’s rigorous safety work is paying off. In October, Stena Drilling’s fleet celebrated 12 months without any LTIs. The rest of 2014 also continued without any reported Lost Time Incidents.

"Working as we do with fossil fuels means taking major responsibility. We focus on safety, health and working environment on board the rigs."

— Tom Welo, CEO Stena Drilling
CARE ON BOARD AND ON LAND

In several areas along Africa’s east coast, including off Somalia, piracy attacks have been a recurring problem for the shipping industry in recent years. A lack of work and development opportunities for young people in Somalia is making it easier for the pirates to recruit new members.

Since 2013, Stena has been involved in The Joint Shipping Initiative, which works with the UNDP (United Nations Development Programme) to strengthen civil society in Somalia, thereby reducing piracy attacks in the area. The initiative was initiated by Shell, and the other participants are BP, Maersk and the Japanese shipping companies NYK, MOL and “K” Line.

By offering alternative ways of making money under the “Alternative Livelihoods to Piracy in Puntland and Central Regions of Somalia” programme, the UNDP and The Joint Shipping Initiative can help to prevent piracy attacks. The collective donations from the initiative have been used to build a new marketplace in Adado and to start training programmes in skills such as plumbing, building and sewing. Together, these activities have generated several hundred job opportunities.

SAFETY THAT DELIVERS RESULTS

For more than 12 years, Northern Marine Group has worked in accordance with a method called Behaviour Based Safety (BBS) to prevent work-related accidents and injuries at sea. The method is largely about getting the crew to incorporate a safety approach into their daily work by observing how colleagues on board perform even simple tasks, such as climbing up a ladder.

By reporting unsafe conditions, actions or near-miss situations, a proactive and positive safety culture is created on board.

In 2014, a total of 5,948 potential incidents were reported which could then be dealt with before they led to actual incidents. This is an increase of 17% compared with 2013, and is clear evidence that the system works.
**IMPROVED FUEL EFFICIENCY**

In recent years, tanker company Stena Bulk has come a long way in energy-efficiency measures. The focus in 2014 was to make it easier for the operators to facilitate energy savings measures. Each trip is undertaken on an energy budget, which is monitored and compared with similar trips on the same route and with statistics from other trips with the same type of vessel. Optimisation of cargo intake, speed and consumption and weather forecasts are taken into account, in order to achieve the best effect both in terms of economy and the environment. The results for 2014 are very encouraging.

**CONVERSION OF STENA CONCERT**

During the year, the product tanker Stena Concert underwent a conversion, which involved the fitting of a Mewis Duct, an additional device positioned ahead of the ordinary propeller. The inflow is changed and the water then hits the propeller at a different angle, resulting in higher efficiency. The conversion of Stena Concert is a joint project between Northern Marine, Stena Teknik and Stena Bulk. The goal is for a fuel efficiency improvement of about 5–6%. Depending on the result, more vessels of the same design and age will be equipped with similar solutions.

"As a result of energy-efficiency measures and reduced speed, Stena Bulk’s fleet has cut its consumption of ship fuel by over 12,000 tonnes in the last year."

– Erik Hånell, CEO Stena Bulk

**FLOATING HOSPITAL SHIP**

Mercy Ships is an international aid organisation that operates the world’s largest civilian hospital ship, Africa Mercy. The organisation focuses on West Africa and provides advanced free medical care. A number of local development projects are also conducted, and these include training the local population in primary and self-care. Mercy Ships is now planning to double their efforts with another hospital ship, with the working name Atlantic Mercy. Stena RoRo is working with Mercy Ships as project manager for this project, and the ship is being built according to one of Stena RoRo’s existing models, adapted for hospital activities. The collaboration also involves employees from Mercy Ships currently working from Stena’s facilities in Gothenburg. The ship is being built at one of China’s largest shipyards and delivery is scheduled for mid-2017.
Stena Property is one of Sweden’s largest privately-owned real estate companies, owning and managing 2.4 million m². The company’s business concept is based on tenancy as the form of tenure. A good availability of rental units facilitates movement in the Swedish residential and employment market. Stena Property’s goal is to help more people obtain housing in the current housing shortage. During the next years, the company has the opportunity to build about 5,000 apartments in attractive locations in Stockholm, Gothenburg, Malmö, Uppsala, Lomma and Lund. The goal is continuous new construction of at least 500 apartments each year.

Through its own Relationship Management concept (Relationsförvaltning®), the company develops sustainable residential and workplace environments. The purpose is to create involvement and increased responsibility for tenants by allowing them some control over their living environment. In concrete terms, Relationship Management means that Stena Property engages in a number of projects and activities that provide safety, well-being and stability in the residential areas, with a focus on children and young people. Examples of projects include homework help, arts and cultural activities, environmental stewards, planting days and “library in the laundrette”.

Focus on children and young people
In each location, there a relationship manager who runs the work locally. In the period ahead, there will be an increased focus on schools and work for young people. Helping to ensure more young people get a good education, are better equipped for the world of work and obtain employment is extremely important both for the individuals themselves and for society. As part of this focus, 300 young people who live in Stena Property’s homes will be offered summer jobs every year.

Relationship Management has many advantages. For Stena Property, it results in increased value of the property portfolio and lower costs associated with wear and damage. It also contributes to economic and environmental sustainability. Tenants have a safer and more pleasant living environment which provides better quality of life. For the municipality, it brings greater public benefit. Stena Property’s biggest environmental impact is the consumption of electricity, heating and hot water in the premises. Using options such as geothermal heating and solar energy can reduce the environmental impact. The target is to reduce energy consumption in the form of electricity, heating and water by 20% between 2010 and 2020. Since 2010, energy consumption from heating has been reduced by 7.4%, while electricity has fallen by 9.8% and water by 4.5%.

All Stena’s newly built residential properties must be certified to silver level under the Swedish Green Building environmental classification system. New construction of commercial properties must also correspond to Green Building requirements. This means that energy consumption must be at least 25% lower than the new construction requirements under Swedish building regulations.

Dialogue model for renovation
In addition to the new construction now in progress, the company is continuously making large reinvestments in the existing portfolio, with a focus on properties that were originally built as public housing around 1970, as part of the “Million” programme. Some properties require significant renovation and in some cases even rebuilding, while others may just need plumbing replacements and upgrading of the bathroom. In order to involve residents in the process, Stena Property has created a dialogue model in connection with renovation, rebuilding and new construction in existing areas.

When properties are being renovated or rebuilt, significant energy-efficiency improvements are also made. As many of the properties have reached their technical lifespan for heating and ventilation systems, these are being replaced with more energy-efficient solutions. Other measures that help to reduce energy use include replacement of windows and additional insulation of roofs.
REDUCED ELECTRICITY CONSUMPTION

In the Holmen district of Malmö, a large-scale energy-saving project has resulted in a significant reduction in the use of electricity, heating and water. The energy-saving project which was conducted in the 103 apartments includes new ventilation and heating systems.

As the new ventilation system includes heat recovery, it uses only a quarter as much energy as the old one. The apartments have also been equipped with water-saving devices such as low-flow nozzles and perlators that reduce the amount of water by mixing water and air.

Overall, the use of electricity has been reduced by 60%, heating by 25% and water by 14%.

ENERGY SOLUTIONS IN TEST HOUSES

A pilot project has been launched in Gothenburg in order to see how about 3,000 apartments built in the 1960 and 1970s can be made more energy efficient in the best way. The project is using three test houses to compare different solutions.

The first test house in Askim was completed in October 2013. The house, which is a three-storey building with 34 apartments, has been fitted with a new ventilation system and channels. The new system allows 82% of heat to be recovered, compared with 35% previously.

In 2014, equivalent installations were made in another two test houses.

"People who live in our areas must be able to feel that we care about them. That’s our fundamental approach.”

– Christel Armstrong Darvik, CEO Stena Property

-60%
STENA ADACTUM

RESPONSIBILITY THROUGHOUT THE CYCLE

Stena Adactum is the Stena Group’s investment company, with a mission to build new businesses within Stena as a long-term investor. This is done by acquiring and developing companies with good growth and profitability potential.

Hunting the energy thieves together
An energy-saving project called Energijägarna (Energy hunters) is in progress at Blomsterlandet. The main objective is to achieve annual cost savings of at least 10% on total energy consumption. All employees are required to undergo training in the project, so that everyone in the store understands it and is able to participate and contribute.

Energy efficiency in the shops and green houses is mainly achieved by changes to behaviour and procedures and better knowledge of the technology already available in the shop. During the year, the focus has mainly been on:

- Keeping heat inside the buildings, mainly by optimising the handling of air-conditioning systems and creating better procedures for entrances.
- Establishing new routines for shop lighting.
- Reviewing each store to find energy thieves.
Life-cycle approach throughout the process
In 2002, Stena Adactum became the owner of the Ballingslöv Group, which has operations in kitchens, bathrooms and storage solutions and is represented in much of Europe. Production takes place in the company’s own production facilities in Sweden, Denmark and the UK.

The group includes Ballingslöv AB, which aims to create long-term sustainable solutions created with a focus on ethical responsibility.

The guiding principle of Ballingslöv’s environmental work is an ecological approach. This is an important basis, even as early the design and development phase for a new product. As much as possible should be biodegradable, but without reducing the product’s life. The company endeavours to optimise the utilisation of raw materials both in purchases and during manufacture.

Ballingslöv’s products are mainly based on wood in various forms – a raw material that is biodegradable. When the fitted kitchen comes to the end of its life, most of the material is combustible. The product’s lifespan is about 30 years, and after this time it can be recycled as energy to 99% (wood) and undergo material recycling to about 1% (metal and plastic).

Ballingslöv aims to further minimise environmental impacts by requiring its manufacturers and suppliers to ensure the products comply with applicable environmental standards and in the original stage are associated with environmentally friendly and responsible forestry.

Own solid fuel boiler
Ballingslöv endeavours to procure electricity for its facilities primarily from hydro and wind power. The majority of the heating and hot water needs in the facilities are met by the company’s own solid fuel boiler, which is fired using wood chips from the processing of wood materials during production.

A catalytic treatment plant enables emissions from production to be reduced by about 95%. Residues resulting from the treatment plant are carbon dioxide and water.

Eco-driving for better transport
One of the greatest environmentally challenges in Ballingslöv’s operations is transport. Reducing the environmental impact in this area will be important for a long time to come. In order to optimise the logistics, Ballingslöv established a separate department with trucks and employee drivers back in 2005. Coordination and efficient logistics ensure that the vehicles are always running as fully loaded as possible. The drivers are trained in “eco-driving” and the vehicles have a maximum speed of 82 km/hour, which means that carbon emissions are reduced.
Care
Innovation
Performance

The cover image shows construction of a wind turbine at Fredriksdal, Sweden, in 2014.