

NORTHERN MARINE GROUP

Based in Glasgow, Northern Marine Group (NMG) provides technical and crew management services as well as marine services to the Stena Group and also to external clients within the marine and offshore industries. NMG has offices in Glasgow, Aberdeen, Mumbai, Houston, Manila, St. Petersburg, Shanghai and Singapore and manage a fleet of 146 vessels.

In 2018, NMG's strategically-diverse service offering ensured another profitable year, even though its financial performance was affected negatively by turbulent market conditions within both the shipping and offshore industries.

Significant efforts were made in 2018, by implementing improvement measures, including the restructuring of business units, closure of non-core business units, and review of management teams to create a broader platform for performance in the continuing challenging industry environment. NMG has already seen a positive effect, as demonstrated by new business conversions both within the Ship Management and Services divisions.

From a ship management perspective, the fleet ended 2018 in an improved position with regard to operational objectives for safety, environmental protection and oil major vetting statistics than when the year began. An all-time lowest number of recordable accidents was detected across the tanker/gas carrier fleets and NMG continued to achieve zero environmental pollution incidents in 2018.

Strong leadership focus is always required to deliver the operational results and as such the various training and mentoring projects are evidencing results. The Visible Leadership Project has been implemented across the businesses to enhance employee engagement, both onboard and onshore.

A number of projects were completed in 2018 to reduce fuel consumption onboard technical managed vessels, including the introduction of bow thruster grids on passenger ferries and Hub Vortex Absorber (energy saving equipment) on gas tankers. Measurement of these specific initiatives evidences a reduced fuel consumption from between two per cent and five per cent, depending on application.

NMG's commitment to energy efficiency is coupled with its activities in emission reduction. Delivering exhaust gas scrubber solutions, in collaboration with Shanghai Bluesoul Environmental Technology Co. Ltd, further demonstrates its capability as a value creating service provider to its clients. An exhaust gas scrubber is a piece of machinery inserted into the ship's exhaust system. Passing sea water through the scrubber absorbs sulphur dioxide from the ship's engine exhaust gases, which will ensure compliance with upcoming IMO industry regulations.

PROACTIVE CULTURE OF SAFETY REPORTING

Employee safety is the highest priority for Northern Marine Group. Building on an already proactive culture of safety reporting in 2018, seafarers in the fleet continued to build safety monitoring ethos, as the number of potential safety risks identified through the Behavioural Based Safety System (BBS) increased by 28 per cent. It is through committed vigilance, such as BBS, that ships in the fleet remain safe working environments.

The changing legislation on marine sulphur regulations being introduced by the IMO as of 1 January 2020 is a major external factor that will impact business. Careful dialogue and planning with clients are necessary to not only achieve technical acceptance, but also ensure that the most flexible commercial strategy is achieved.

NMG requires highly skilled and committed seafarers from all geographical locations to successfully operate the fleet. With signs of a weak emergence in the depressed offshore market, NMG must be focused on retention of its crew, to prevent skills being transferred from commercial shipping to the reawakening offshore oil and gas projects.

NORTHERN MARINE GROUP

2%

Share of Group revenue

6,500

Employees

800

MSEK income

600

MSEK capital employed

COMMITTED TO PROVIDING OUTSTANDING SHIP MANAGEMENT SERVICES



ABOUT STENA

BUSINESS ENVIRONMENT

FOCUS

OPERATIONS

MANAGEMENT

UK'S LARGEST TRAINING PROVIDER OF OFFICER CADETS

In 2018, Clyde Marine Training – a subsidiary of Northern Marine Group – was the UK's largest cadet training provider, with over 800 cadets being trained, under 51 shipping companies. During the year, 280 new cadets were recruited by Clyde Marine Training – 40 per cent of all new cadets recruited for the British maritime sector in 2018.



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Philip Fullerton
MD

SAFETY AND ENVIRONMENTAL EXPERTISE

Since sustainability ranks high on NMG's agenda, our employees can contribute to reducing environmental impacts and increasing the safety of our customers. We hold both ISO 14001 and ISO 50001 certification and also focused on information security issues during the year.

Focus areas	Target	2018	2017	2016
Discharge to sea (number)	0	0	2	2
Port state control detention	0	2	2	2
Information security	0 data breaches	1	0	0
LTIF ¹	Below 0.5	0.31	0.33	0.65
Full compliance with laws and regulations		√	√	√

¹) Lost Time Injury Frequency (LTIF) is a way of measuring workplace safety for crew onboard. LTIF is measured as number of Lost Time Injuries (LTI) – injuries that leave the employee unable to work the following day/per million exposure hours worked.