

STENA BULK

Stena Bulk is one of the world's leading tanker operators, offering safe, innovative and cost-effective marine transportation of crude oil, refined oil products, chemicals and LNG. This requires a holistic perspective – from development and construction to crewing and chartering of first-class tankers and LNG vessels.

The tanker market is cyclical and Stena Bulk can now see the turning point for which the company is positioned, with several new positions taken during the year, and thereby expects to stay ahead of its competitors. During the year, Stena Bulk also continued to work to meet the expected reversal in the tanker industry as a consequence of the new sulphur emission regulations that will enter into force in 2020. By adapting vessels to the new legislative requirements, Stena Bulk is ensuring a basis for the long-term sustainable operation of the fleet.

INCREASED AWARENESS REDUCES ENERGY USE

In conjunction with shipping companies' need to adapt their fleets to new legislative requirements, stronger market performance is expected in 2019–2021. This is primarily related to new logistics flows, increased demand on the back of global growth, and more rapid phasing-out of older tonnage in 2019 and 2020 than normal, due to the new requirements' entry into force. Shipping currently has the objective to reduce greenhouse gas emissions by 50 per cent, up to 2050, compared with 2008 as the base year, according to the IMO's environmental target. Achieving this goal requires that shipping takes a major step forward, and drives development



towards sustainable transport on the world's oceans. For Stena Bulk, the task is primarily to make use of new technology to operate vessels more efficiently. One example is Stena Orbit, the company's digital platform, which allows for real-time control of energy use, and directly raises the alarm in the event of any deviations. Besides increasing efficiency, the platform also enhances the organisation's awareness of energy use. Together with other measures, this has contributed to the company's reduction of energy use by around 25 per cent since 2011. With the help of Stena Orbit, customers are also offered the information they need after each voyage, in order to compare Stena Bulk's transports with those of competitors.

NEW COOPERATION FOR EXPANSION IN ASIA

During the year, development continued of Golden-Agri Stena, the joint venture operated by Stena Bulk with Golden-Agri-Resources. As a consequence, together with Japanese Bay Crest Management, the company established a new joint venture, GSB Tankers. The aim of the collaboration is to take another step into the chemical transport market, where Stena Bulk sees good growth opportunities going forward.

The cooperation with the Angolan oil company, Sonangol, in Stena Sonangol Suezmax Pool, has performed well since its start 14 years ago. With a pool of 20–30 vessels, Stena and Sonangol work on triangulating and optimising trading.

In 2018, Stena Bulk also took final delivery of the 13 IMOIIIMAX vessels in total ordered in 2011. The vessels can handle both chemical transport and other loads and have performed above expectations in the logistics system comprising around 60–70 vessels in the MR and IMOIIIMAX classes.

STENA BULK FACTS

15%
Share of Group revenue

450
Employees

5,000
MSEK income

7,700
MSEK capital employed

96 
Tankers

3 
LNG tankers

4 
Shuttle tankers

WORKING TOGETHER FOR SUSTAINABLE SHIPPING

Blockchain is a technique to handle various types of transactions that increases opportunities for traceability concerning who handles various aspects of a deal. For some time, Stena Bulk has cooperated with MIT Sloan School of Management and customers on assessing the significance of Blockchain in terms of creating safer and more effective business processes for tanker shipping operations.

ACHIEVEMENT AWARD FOR RESCUE OPERATION

During 2018, Stena Bulk received a Safety Achievement Award from the Chamber of Shipping of America for professional seamanship when a fisherman was rescued from a capsizing boat in the waters between North Korea and Japan.



Based on new technology and information tools, from 2011 up to today we have reduced our energy requirement per ton-mile by 25 per cent. Based on technical and digital solutions, transparency and cooperation, we can see that we can change business models, which will bring major changes in our industry.

Erik Hånell
MD



FUTURE-PROOFING INFORMATION

Stena Bulk works continuously with research and education, in order to make our contribution to safer and more sustainable shipping. Today, Stena Bulk cooperates with several leading universities and oil companies to increase digitalisation, reduce fuel consumption and improve transparency in the sector. Via membership of the Marine Anti-Corruption Network (MACN), Stena Bulk is working actively to eliminate corruption in the industry.

TO BE CUSTOMERS' FIRST CHOICE FOR SAFETY, INNOVATION AND PERFORMANCE IN TANKER TRANSPORTATION.

SAFETY TAKES HIGHEST PRIORITY

Stena Bulk always puts the safety of its own personnel and partners first, among other things by providing continuous training and education. We also work actively to reduce carbon dioxide and sulphur emissions, and minimise the risk of oil spills.

Focus areas	Target	2018	2017	2016
Emissions reduction				
SOx	~200 tonnes/annually	-620	-450	-210
CO ₂	~18,000 tonnes/annually	-33,000	-37,200	-18,750
Discharge to sea (number of)	0	0	0	0
Energy efficiency (decreased fuel consumption)	0.3 tonnes/day/vessel	0.8	1.1	0.4
Laden/ballast ratio minimum	75/25 MR vessels	75/25	78/22	79/21
Laden/ballast ratio minimum	65/35 Suezmax	66/34	65/35	62/38