



A Sustainable Journey

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This is our annual review of some of the big little things we do for a sustainable future.

2018/2019

  
**Stena Line**



*As one of the world's largest ferry shipping companies, with 29,000 sailings per year on 20 ferry routes, we have a responsibility to perform all of our business in a sustainable manner, or as it says on our ships - Connecting Europe for a Sustainable Future.*

Niclas Mårtensson, CEO Stena Line

# *A Sustainable Journey*

This is our annual review of some of the big little things we do for a sustainable future.

*We have a shared responsibility for the sustainable development of our world. Stena Line contributes by connecting Europe and by connecting people. We are on a journey towards becoming a leader in sustainable shipping.*

## Connecting Europe for a Sustainable Future

At Stena Line we believe that sustainable growth is the only acceptable business model. Our operations are monitored from social, environmental and economic aspects in our ongoing effort to become a leader in sustainable shipping.

The benefits of a sustainable company are many: gained trust and growth as well as a better working environment and lowered risk.

Shipping is a very energy efficient mode of transport in relation to cargo volume. However, there are major advantages – both environmental and economical – to be gained from further improving the efficiency of our operations. Together we can increase the use of clean energy, protect life below water, ensure responsible consumption as well as safety, good health and wellbeing for all customers and employees.

In 2018 we added a fifth focus area – Equality and inclusion. This is important to us because at Stena Line we welcome everyone, whether you want to work here, travel with us or be one of our business partners.

The foundation of our company culture is care – care for our customers, care for resources and care for each other. At Stena Line, we also care for your opinion. Please feel free to get in touch with feedback to help us improve.

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Follow our journey  
[stenaline.com/sustainability](https://stenaline.com/sustainability)



### Highlights in 2018

- # First battery hybrid vessel launched.
- # Started using artificial intelligence on board to save fuel.
- # Launched a fifth sustainability focus area Equality and inclusion.
- # Became ISO 14001 certified.
- # Continued reducing single use plastic.
- # Five efficient new ships under construction.

### Big little things on the Green List

The Green List is a summary of the big little things that we have done to contribute to a more sustainable future. It covers diverse areas, from testing new hull paint to removing plastic cutlery in our restaurants.

Read more at [stenaline.com/greenlist](https://stenaline.com/greenlist)



# Our sustainability focus areas

## Good health and wellbeing page 4

Through care for each other and an absolute commitment to safety, Stena Line shall actively promote the wellbeing of both guests and employees.

## Clean energy page 6

Stena Line shall relentlessly strive to improve energy efficiency on shore and at sea and actively stimulate the usage of clean energy sources.

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Care for resources is achieved by responsible purchasing and by continuously reducing waste and increasing recycling.

## Life below water page 12

Stena Line relies on the oceans for its existence and all operations shall have minimal impact on marine life.

### THE GLOBAL GOALS

## Equality and inclusion page 14

We embrace equality, diversity and inclusion. Everyone at Stena Line is a valued member of our crew.

## The global goals

Our commitment to sustainability is centred around five focus areas linked to the UN Global Goals which are directly related to our business.

Ambitious targets are defined for each area, and the development is closely monitored, with the ambition that Stena Line shall be a leader in sustainable shipping.

**94%**  
green electricity  
in port



**77%**  
of total waste  
recycled



# Good health and wellbeing

Through care for each other and an absolute commitment to safety Stena Line shall actively promote the wellbeing of both guests and employees.



## TARGETS

- # Continuously reduce the number of accidents at the workplace with a goal of less than 1.0 in accident frequency (LTIF) for 2018.
- # Ensure that the number of passenger accidents on board is below the comparable industry benchmarks.

## OUTCOME 2018

- > In 2018 the accident frequency (LTIF) on board slightly increased to 1.1 (0.6) but was still maintained on a low level by industry comparison.
- > The passenger accident rate ended up at 2.3 (2.1) per 100,000 guests, which is well below the target.

## LTIF\* development



\* Lost Time Injury Frequency measures time away from work due to work-related injury per million hours worked, for sea-going employees.

## Nine vessels recognised for safe operations

Eight ships on the Irish Sea and one on the Baltic Sea have been recognised for operating between two and five consecutive years without a lost-time accident.

The vessels have received the prestigious Jones F. Devlin Award from the Chamber of Shipping of America (CSA), acknowledging “outstanding achievement”, and exemplifying “devotion to duty and to the principles of maritime safety, which is worthy of the highest commendation.”

“At Stena Line, the safety of our passengers and employees always comes first, and forms a very important part of our strategy for a sustainable future”, says Bjarne Koitrund, Technical Operations Director at Stena Line.



### Successful health project

Why just do as we've always done? When the time came to renovate the mess on Stena Jutlandica, employees on board were invited to come up with suggestions. The overall goal was to improve working environment and health.

After the renovation, the crew is now offered a vegetarian option every day and a more varied salad buffet. The chefs have been trained in vegetarian cooking and a nutritionist has educated our employees.

A control group of twelve voluntary employees made a health control before starting a one year trial period. Six months later the results are promising: weight loss, lower cholesterol levels, and higher health awareness.

### Safety starts with you

The ongoing *Vehicle Deck and Port Operations Safety Campaign* addresses topics with impact on everyday work and safety. Among them high visibility clothing and correct signalling – critical when loading and unloading a vessel.

## No. 44

### Served responsible seafood

In 2018, the share of fish from MSC certified companies was 60%. In 2019, we are aiming for 100%.

### It's okay to not be okay

An employee suffering from stress, or any other mental health condition, can now feel more comfortable about reaching out, knowing help and compassion is available.

On the Irish Sea we provide courses for employees to give them a better understanding of how to help and assist affected colleagues. David Owens, HR Advisor business region Irish Sea South, states “The first step is to challenge the stigma surrounding this topic and to make it okay to talk about mental illness. There is no health without mental health”.





# Clean energy

Stena Line shall relentlessly strive to improve energy efficiency on shore and at sea and actively stimulate the usage of clean energy sources.



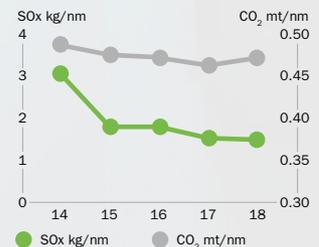
## TARGETS

- # Reduce emissions to air while in port by enabling shore power connections for ships and terminals.
- # Reduce the fleet's CO<sub>2</sub> emissions per nautical mile by 2.5% every year.

## OUTCOME 2018

- > 37% (35) of the Stena Line fleet and 20% (17) of the terminals operated by Stena Line are equipped with electric power supply.
- > CO<sub>2</sub> emissions per nautical mile have not developed in line with target but instead slightly increased over the last year. Fuel consumption per unit/distance shipped has however decreased.

## Emissions/nm



## No. 52

### Installed new cooling refrigerants

In 2018 all the cooling refrigerants in fridges and freezers on Stena Jutlandica were replaced with new, more energy efficient and climate friendly products.

### Pioneering fuel project

Stena Germanica is the world's first RoPax vessel converted to run on both diesel and methanol. In 2018 the methanol operation was a smooth and a well-integrated part of the vessel's daily operation.

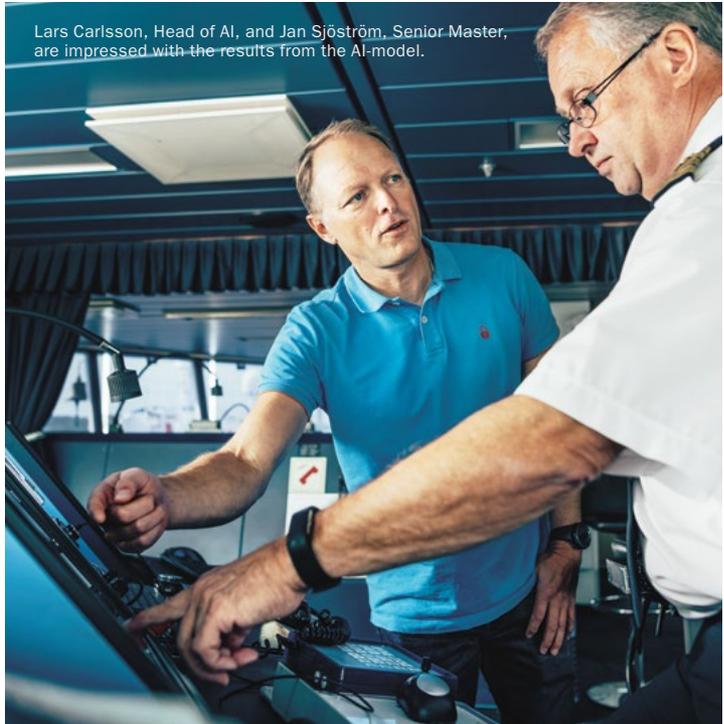
Methanol is usually produced from natural gas but can also be produced from renewable feedstock. Methanol reduces sulphur and particles to zero and lowers NOx substantially.

### Connect to renewable energy

By connecting a vessel to the local electrical grid when in port, we reduce the CO<sub>2</sub> emissions with close to 14,000 tonnes/year. This is equivalent to the annual emissions of 7,500 passenger cars.

We connected our first ship to the grid already in 1989. In 2018 yet another power supply connection was inaugurated, this time in the Port of Oslo, making Stena Saga our 14th vessel to be upgraded.

Presently 14 of our ships and six of the terminals operated by Stena Line are equipped with electric shore power supply. Discussions are under way for further installations in Denmark and Germany.



Lars Carlsson, Head of AI, and Jan Sjöström, Senior Master, are impressed with the results from the AI-model.

## Smooth sailings with AI

Our first vessel using artificial intelligence technology was introduced in 2018. The AI-model will support our captains and officers when planning each trip, helping reduce fuel consumption and minimising environmental impact.

A pilot study was successfully performed on board Stena Scandinavia. When launched fleet wide, the AI-model will make an important contribution to Stena Line's target to reduce fuel consumption by 2.5% per nautical mile annually.

"The model considers a number of variables, such as currents, weather conditions, water depth and speed through water, in various combinations that would be impossible to make manually", says Lars Carlsson, Head of Artificial Intelligence.

"We've been adjusting the model after each trip and it is amazing to see how quickly it is learning", says Jan Sjöström, Senior Master on Stena Scandinavia who has been working with fuel optimisation for the past 40 years.

Stena Line's ambition is to become the world's first cognitive ferry company.

# Battery power, a game changer for short sea shipping

The automotive industry is being revolutionized by electric engines, so why not dare to take shipping to the next level?

Said and done. Stena Teknik, our expert function in marine technology, took on the challenge to develop an electromobility concept for the marine industry. The first step of the concept was realised in 2018, when Stena Jutlandica was converted to a battery hybrid vessel.

The battery project is an important part of our sustainability strategy. The future target is to be able to navigate a vessel 50 nautical miles with electric power, equal to the distance between Göteborg and Frederikshavn where Stena Jutlandica operates.

## **A three-step innovation**

The project is carried out in three steps. The first was switching to electricity during port manoeuvring in order to reduce the use of diesel generators and replace

traditional engines powering the bow thrusters. Expectations were exceeded after only one month of operation.

“We’ve been able to strongly reduce the use of diesel generators, from three generators to one”, says Johan Stranne, Senior Chief Engineer on Stena Jutlandica.

## **Impressive savings**

In this initial step, the environmental savings are expected to be about 400 tonnes of fuel and 1,200 tonnes of CO<sub>2</sub> per year. This is equal to the annual emissions from approximately 650 cars.

“Another positive effect concerns safety”, says Johan Stranne. “By having a constant access to electricity as backup, we minimize the risk of power outage”.

In the planned second step of the electromobility project, battery power will be complementing two of the four primary engines, which makes it possible for Stena Jutlandica to run on electrical power for about 10 nautical miles inside the Gothenburg archipelago, all the way out to open sea.

## **From start to finish**

In the third step, the vessel’s main engines will be fully electric, and it will be able to cover the 50 nautical miles between Sweden and Denmark solely on electrical power.

“As both the size and cost of batteries decrease, battery hybrid operation is becoming a more realistic alternative in short sea shipping. In a not-too-distant future, hopefully this is how our ferries are run altogether”, says Peter Arvidsson, COO at Stena Line.

## **Electromobility for shipping**

Stena AB has joined forces with the Swedish research institute RISE and four other parties, aiming to increase the electrification of shipping.

The initiative involves the Swedish Shipowners’ Association, ABB Sweden AB, ABB Marine Oy, and the battery company Northvolt. The organisations will jointly contribute to climate-smart shipping, international competitiveness and increased export opportunities for green technologies.



*Our ambition is a fully electrified ship sailing between Gothenburg and Frederikshavn by 2030.*

Niclas Mårtensson,  
Chief Executive Officer, Stena Line



Above: Johan Stranne inside the battery unit.  
Right: The 1 MWh battery unit, equal to the power of about 12 Tesla cars and with a weight of 30 tonnes, is placed on the weather deck to fit.





# Responsible consumption

Care for resources is achieved by responsible purchasing and by continuously reducing waste and increasing recycling.



## TARGETS

- # Reduce single use plastic on board and replace with sustainable alternatives.
- # Increase the amount of material recycled waste.

## OUTCOME 2018

- > Regions North Sea and Irish Sea have reduced the number of single use plastic products with 90%.
- > The percentage of material recycled waste grew to 33% (30%).

## Share of waste treatment



- Landfill 23%
- Energy recovery 44%
- Material recycled 33%



## Less single use plastic

At Stena Line we have a long term target to phase out all single use plastic fleet wide. In 2018 we came one step closer, when removing nearly all of the single use plastic products from our vessels on the Irish and North Seas.

“Reducing and replacing these products benefits both climate and ocean environment. Thanks to targeted initiatives and great engagement amongst our employees, we are now able to cross out close to 90% of the existing single use plastic products which we are very happy about”, says Paul Verduyn, OSS Manager North Sea.

During a transition period you might still find some of the replaced items on board but gradually more of the new and sustainable products will make their entrance.

“It is still a challenge to find alternatives for a handful of items but we’re confident we’ll get there in the end”, says Julius Bergenholtz, Senior Purchaser, Retail & Food Services.

## Supplier Code of Conduct

To improve quality and control, and to reduce risk in the supply chain, Stena Line has developed a Supplier Code of Conduct. The document describes expectations on suppliers regarding human rights, labour, sustainability, health and safety.

“So far about one third of our 300 main suppliers have signed the code, and we’ve got a lot of positive feedback on the initiative”, says Kristin Göransson, Purchaser Group Procurement at Stena Line.

## Food for the win

A new food waste reduction system being tested on Stena Saga is aiming to reduce both food waste and food purchasing costs by 15%. After every breakfast, lunch and dinner the weight of the waste bins is noted on a digital display. We also keep track on type of waste, value as a percentage of sales, grams of waste per cover and CO<sub>2</sub>-levels.



“The consciousness has grown amongst our employees. Now you think twice before you throw food in the bin”, says Patrik Rothoff, Head Chef at Stena Saga. “We also see what kind of food we need to buy less of.”

In the first months of the test food waste on board was reduced by 500 kg. After collection of the remaining food waste in port, our contractor makes use of the food waste by turning it into biogas, topsoil and filling material.

## All time high for material recycling

The ports operated by Stena Line have substantially increased material recycling in 2018. A total of 33% of waste plastic, metal, paper and glass is recycled, while 44% of the waste is used for energy recycling.

“In our region, we have implemented waste sorting on all our vessels and ports in Latvia, which means that our passengers get the opportunity to recycle more, says Vladislavs Samovics, Port Operations Manager, Baltic Sea North.

**No. 46**  
**Brought back the paper bags**

In 2018 we started writing yet another chapter for our onboard shopping bags, as old-fashioned paper bags were reintroduced.



**Good food**

**Coffee**  
100% Rainforest Alliance certified.

**Eggs**  
100% from free-range hens.

**Milk**  
Close to 100% organic.

**Fish**  
60% bought from MSC certified companies and aiming at 100% in 2019.



# Life below water

Stena Line relies on the oceans for its existence and all operations shall have minimal impact on marine life.

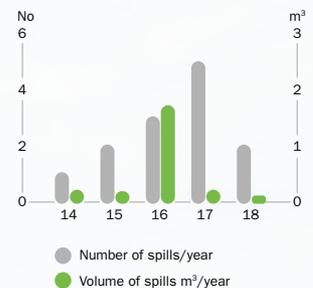
## TARGETS

- # Protect the ocean from pollution by reducing the use of harmful chemicals.
- # Zero vision for oil and fuel spills.

## OUTCOME 2018

- > The percentage of ecolabel products used in passenger and kitchen areas is 60%.
- > The number of oil spills decreased to 2 (5) incidents and the total volume was maintained on low levels.

## Spills from ship and shore



## Ocean friendly paint on trial

Stena Estrid is the first of our next generation ferries under construction. When entering service in 2020 she will also be the first to test an anti-fouling paint containing the Swedish bio-repellent Selektepe. This is an organic non-metal compound, harmless to marine life.

Anti-fouling paint is used to prevent growth on the hull, which slows down the vessel and thereby increases fuel consumption.

Five other ships in the Stena Line fleet use silicone based anti-fouling paint, with lower levels of copper, making it less harmful to life under water.



### Closing the loop

In 2018 we launched a new procedure for ships equipped with scrubbers. A scrubber is a cleaning system that reduces sulphur in the exhaust gas from a ship. Whenever possible, we choose closed loop systems so that the scrubber residue can be pumped ashore for treatment in order to protect the ocean environment.

### Became ISO certified

Early 2018 we passed certification for ISO 14001:2015, an international standard for environmental management systems and a tool for the company to improve in the sustainability field.

### Breakthrough for eco-labeled products

In cooperation with suppliers we have substituted chemicals with less hazardous products. In 2018 we doubled the use of eco-label detergents in passenger and kitchen areas to 60%, mainly by making them a new standard on the North Sea and the Irish Sea.

Inspired by this successful launch of certified detergents, the process of mapping chemicals and increasing the usage of less harmful products on deck and in engine has taken off. Good news for both the environment and our crew!

### Four stars in the Clean Shipping Index



Stena Jutlandica, Stena Germanica and Stena Scandinavica have received four stars out of five in the Clean Shipping Index. The index ranks environmental performance beyond regulatory compliance and is a tool for choosing more sustainable shipping alternatives.

The three vessels are recognized for discharging sewage ashore, using less harmful anti-fouling paint, connecting to onshore power supply and recycling waste. "We are very proud of the rating. It shows that we are well beyond environmental legislation", says Jonas Tullock, Fleet Manager.

### No. 50 Started testing ultrasonic antifouling

Early 2018 we equipped our first vessel, Stena Hollandica, with ultrasonic transducers on the hull to minimize fouling.



# Equality and inclusion

We embrace equality, diversity and inclusion. Everyone at Stena Line is a valued member of our crew.



## TARGETS

- # Improve ratio of female leaders. Long term target minimum 30%.
- # Harassment-free workplace. Target zero cases of reported harassment.



*At Stena Line we welcome everyone, whether you want to work here, travel with us or be one of our business partners.*

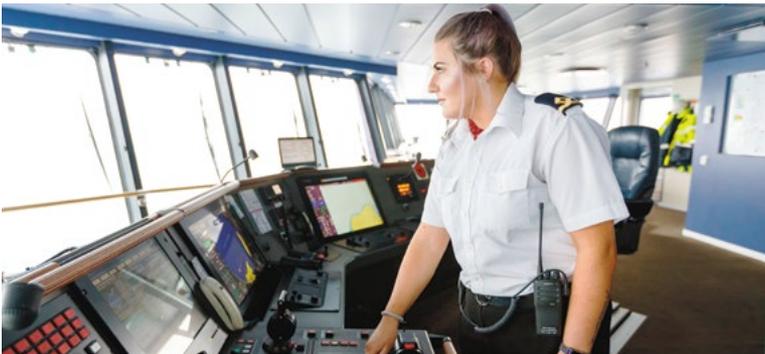
Margareta Jensen Dickson,  
Head of People, Stena Line



## All on board!

At the end of 2018 Stena Line launched a fifth sustainability focus area, Equality and inclusion, highlighting that that we welcome everyone, regardless of age, religion, gender, gender identity, sexual orientation, ethnicity or disability. Everyone shall be able to work in a harassment-free workplace with equal opportunities to succeed. Diversity in the workforce not only contributes to a caring work environment, it also helps us understand our customers.

“Like us, our customers are diverse. The better we understand them, the easier we can meet their needs and create a great travel experience, showing that we care”, says Ian Hampton, Chief People & Communications Officer.



## Women in Maritime Pledge

A balanced workforce at all levels in the maritime sector will undoubtedly improve cultural behaviour with positive outcome on our profitability and productivity.

We are one of approximately 60 organisations that have signed the Women in Maritime Pledge, initiated by the UK Chamber of Shipping. Work is underway to develop a Women in Maritime Charter, that will involve setting targets and developing a company action plan to support women to thrive in the shipping industry. Stena Line's own initiative is to reach a balanced workforce which we will deliver an action plan for in 2019.

## All the colours of the rainbow

Stena Line became a proud partner of EuroPride in 2018. During July and August Stena Line vessels and terminals flew the rainbow flag and employees joined in the parades across Europe. The EuroPride partnership will continue during 2019 as part of our increased efforts of developing and maintaining a sustainable working environment for everyone.



## Equal opportunities in the workplace

Working with equality, inclusion and diversity makes us more innovative and prepared for future challenges. To support the commitment to equality and inclusion, we have launched new policies for anti-harassment and equal opportunities.

But the policies are only part of the package. In 2019 a new program for recruitment and employee experience will be launched to attract, engage and care for our talented employees.

“At Stena Line we nurture an inclusive and welcoming culture as part of our common way forward”, says Janine Sjöo, Head of Employee experience.

# One of the largest ferry operators in the world

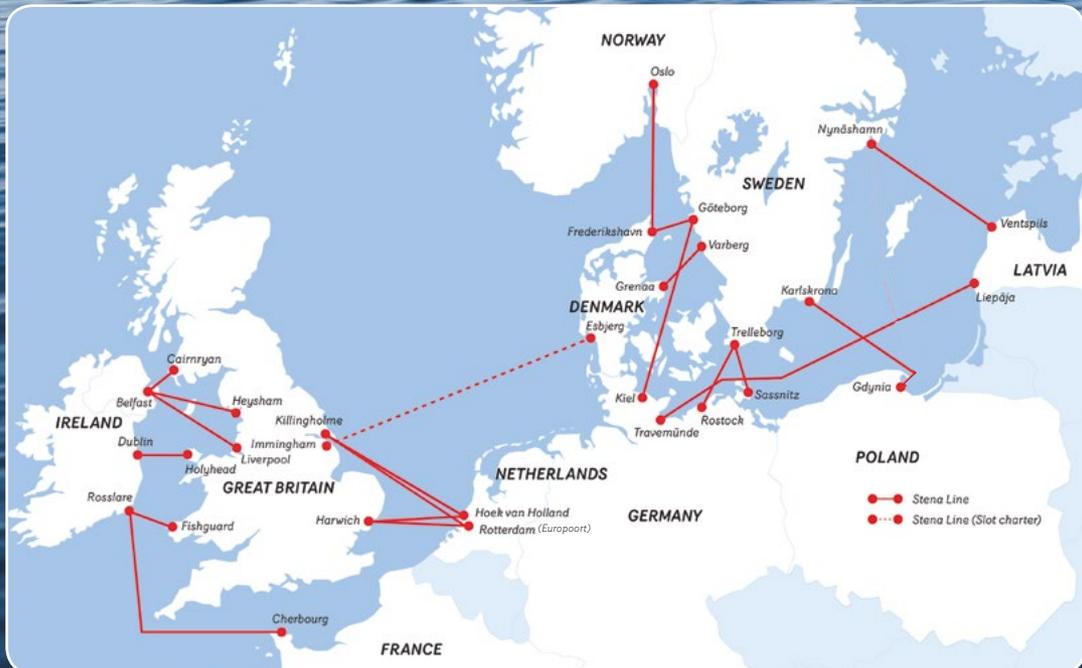
Stena Line is part of the Stena AB Group, one of Sweden's largest family-owned companies with around 16,000 employees and operations in the areas of ferries, shipping, offshore drilling, property, wind power, and finance.

Stena Line has more than 5,600 employees from 40 nations based in 10 countries and covering more than 270 different professions. With 38 vessels and 20 routes in Northern Europe Stena Line is one of Europe's leading ferry companies. From west to east the company connects northern Europe with 80 sailings every day all year round, working in close collaboration with road and rail industries as well as port authorities to provide efficient intermodal transport solutions.

7.6  
million  
guests

1.7  
million  
cars

2.1  
million  
freight units



# Key figures

| Corporate information                | 2014   | 2015   | 2016   | 2017   | 2018   |
|--------------------------------------|--------|--------|--------|--------|--------|
| Employees*                           | 5,500  | 5,083  | 5,224  | 5,408  | 5,709  |
| Group turnover (MSEK)**              | 11,553 | 12,441 | 12,599 | 12,724 | 13,849 |
| Average number of reporting ships*** | 41     | 38     | 36     | 39     | 38     |

\* Excluding seasonal or temporary contract employees.

\*\* Excluding 50% stake in HH Ferries, sold early 2015.

\*\*\* Including short-term time-chartered ships, the number for 2018 is 48.

| Operational overview                  | 2014   | 2015   | 2016   | 2017   | 2018   |
|---------------------------------------|--------|--------|--------|--------|--------|
| Number of sailings                    | 27,240 | 26,796 | 26,743 | 27,832 | 28,488 |
| Total distance (1,000 nautical miles) | 2,956  | 2,682  | 2,657  | 2,867  | 3,011  |
| Laps around the world equivalent      | 137    | 124    | 123    | 133    | 139    |
| Technical reliability (%)*            | 98.0   | 98.7   | 99.5   | 99.4   | 99.8   |
| Average deficiencies per inspection** | 2.6    | 2.4    | 2.1    | 1.7    | 3.3    |
| Good sailings (%)***                  | 41     | 55     | 56     | 60     | 60     |

\* Total performed sailings vs. schedule

\*\* Ships equipment and certificates are regularly inspected by ports, flag states and classification societies. Any deficiencies are noted for subsequent rectification.

\*\*\* The sailings which depart and arrive before or according to timetable (+/-5 mins). A Good sailing is energy efficient and fulfills customer expectation.

| Energy and efficiency                | 2014  | 2015  | 2016  | 2017  | 2018  |
|--------------------------------------|-------|-------|-------|-------|-------|
| Total fuel consumed (1,000 tonnes)   | 438   | 409   | 404   | 428.5 | 458.3 |
| CO <sub>2</sub> total (1,000 tonnes) | 1,369 | 1,299 | 1,270 | 1,348 | 1,440 |
| NOx total (1,000 tonnes)             | 28.0  | 27    | 26.5  | 26.9  | 28.9  |
| SOx total (1,000 tonnes)             | 9.4   | 5.1   | 5     | 4.6   | 4.7   |

| Health and wellbeing               | 2014 | 2015 | 2016       | 2017       | 2018       |
|------------------------------------|------|------|------------|------------|------------|
| LTIF*                              | 1.8  | 1.8  | 1.6        | 0.6        | 1.1        |
| Sick leave, total shore/sea (%)    | 3.0  | 2.9  | 3.8        | 3.5        | 4.1        |
| Employees turnover (%)**           | 10.2 | 8.6  | 10.3       | 12         | 15.5       |
| Gender diversity, women/men (%)*** | —    | —    | 14.4 /85.6 | 16.0 /84.0 | 19.0 /81.0 |

\* Lost Time Injury Frequency – measures time away from work due to work-related injury per million hours worked, for seagoing employees.

\*\* Employees turnover is measured as a tool to help assess job satisfaction for both crew and shore employees. Does not include crew from Northern Marine Ferries.

\*\*\* Employees in managerial positions with personnel and budget responsibility.





Sarah Scowcroft, Cabin Assistant at the Stena Superfast X, visits the hospital ship Africa Mercy in Guinea.

## Proud partner to Mercy Ships

Stena Line is a proud partner to Mercy Ships – a charity organisation sailing around the world bringing free, life-saving medical care to where it's needed the most.

The aim of the partnership is to raise awareness of Mercy Ships, increase the willingness to donate among Stena Line's customers and partners, and to promote volunteering amongst our employees to share their unique technical and naval competence.

"In Mercy Ships we have found a partner that, like us, sees the benefits and the flexibility of having the ocean and ships as your workplace. This partnership is the most important of our social sustainability initiatives, as it gives us an exciting opportunity to involve our employees, customers and partners in helping to make a difference. It also embodies our core value – care", says Niclas Mårtensson, CEO at Stena Line.

## Customers round up for charity

During the month of November 2018, customers on all 38 vessels were encouraged to Round Up for Charity. There were also plenty of additional initiatives from Stena Line employees across the network and in total an impressive SEK 200,000 was raised. The funds enabled Mercy Ships to help 135 people get their eyesight back and change many lives.

For more information please visit [stenaline.com/mercyships](http://stenaline.com/mercyships)

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