



# PRINCIPLES, CONVICTIONS AND BASIC VALUES FOR STENA METALL AB

A handwritten signature in black ink, reading 'Dan Sten Olsson'.

Dan Sten Olsson



# VISION

Our vision is **“Always the customer’s first choice and quality assured partner”**. This encourages us to safeguard the company’s resources and the resources beyond our doors. We contribute to this vision by participating in value-creating activities, often together with our customers.

# MISSION

By maintaining good contact with our customers and the world around us we nurture our growing trust. By doing this we create more and better business – and more satisfied customers.

# BUSINESS IDEA

By using our competence in trading and recycling, we shall make money in seven business units: Recycling, Trading, Aluminium, Steel, Components, Oil and Finance and, via New Ventures, create new businesses 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.

Never wasting our own or the world’s resources is a Stena trademark.

## Customer-related success factors

In order to be the customer's first choice and preferred partner, we have to be a leader in everything we do. By being accessible to and in continuous contact with our customers, we can understand their needs and find out how satisfied they are with our products and services. This is how we create opportunities for making money in the markets where we are active.

## Success factors related to collaboration

Regardless of the business area, it is our White Book that unites us. Every business unit should follow Stena Metall AB's principles, convictions and values by translating them into their own operative terms.

Every employee should understand, respect and be able to communicate their unit's business idea, success factors and values.

By delegating responsibility and power to act, we can do everything that is required to reach our goals.

Everybody has the right to be informed and the obligation to inform others about how we can improve our collaboration and our own individual work. Truths must be said and accepted in time, otherwise it will be too late to understand, clarify and adapt.

The work in each business unit must be based on set systems and processes.

## Success factors related to communication

Collaboration and development demand good communication. We can only expect people to take the right decisions and actions if they are properly informed and listen to understand. This is why we need to know who to ask or refer to in order for our communication to work.

Our communication should be fast and easily accessible, especially between those it concerns. To create understanding and dialogue, it must be well formulated.

We have systems that track and manage information, but we have to invest time in analysing and explaining in order to understand what the information means. Acting in the right way is dependent on having the correct information, acceptance of the truth, understanding and the relevant skills.

Every conversation should show care and create positive feelings. Examples of positive messages are:

"I'm happy with the information I've received."

"I'm sure there is something we can do."

"Thank you for choosing us."

Our employees, the media and interested parties should feel confident that our information is always accurate, that we take responsibility for our activities and that our activities can stand up to scrutiny. So, we should communicate both positive and negative news items as long as they do not result in obvious competitive disadvantages. An immediate response is never needed, but prompt answers prevent unfounded speculation.

We should avoid commenting on decisions made in Stena's other business areas. Out of consideration, we should also avoid commenting on the actions of our competitors. Concentrating on our own business is challenging enough. Managing confidential information that is not public is crucial when it comes to maintaining our trust and good reputation.

### **Decisiveness and duality**

Our ability to prioritise and find the right balance between opposites creates successful decisions. There are often two sides to take into consideration.

### **Strategic success factors**

Survival and the ability to create something lasting require foresight, business acumen and constant attention. All our activities should contribute to our goals. These goals must be measurable, and the results linked to our activities so that we can constantly improve. Care is the driving force behind our awareness of and attention to activity and performance. Behind each business area, there is a clear business idea. Each business unit has its own culture and values that we should understand and respect. Experience shows that good values create good strategies. We are convinced that we will succeed if we all live our values.

# FOCUS AREAS ACCORDING TO OUR VALUES

## Customer satisfaction

- Retain customers
- Repeat business
- Ongoing dialogue

## Quality

- Operations
- Management
- Assets
- Decisions (timing and preparation)

## Committed employees

- Competence
- Consistency
- Clarity
- Care

## Innovation

- Determination
- Energy/Creativity
- Performance

## Result

- Business acumen – make money every day
- Continuance and sustainability
- Goals and results
- Business enjoyment

# CUSTOMER SATISFACTION

- MORE SATISFIED CUSTOMERS!

## Retain customers

We retain our customers through sustainable relationships. The customers' experience with us at Stena should be so positive that they choose to come back and do more business. This is how we create sustainable relationships. We are the customers' first choice and they are happy to recommend us to friends and acquaintances.

## Repeat business

The value of what we sell should always exceed the price and the profits that we can achieve together.

## Ongoing dialogue

Thoughtful dialogue with our customers is important, and is made possible by good personal contact, both locally and internationally.

We stand for knowledge and good behaviour. We are happy to share good stories; we are at their service and happy to answer any questions.

# QUALITY

## Operations

By operative quality we mean that we always deliver the product or service we have promised without wasting resources and without spending time on worthless activities.

To deliver successfully, our collaboration with external parties such as suppliers, ports, authorities and financial institutions must work well and be outstandingly effective.

## Management

Management should have the ability to define customer segments and needs. This demands openness and sometimes external help. Management needs to communicate with everybody and generate the energy and resources required to achieve customer satisfaction and profits.

## Assets

Foresight is crucial. Our assets should be designed to provide operative quality for their entire lifecycle. Our assets should be managed and safeguarded in such a way that they can, as long as they are in use, do the job they were developed for. This period is at least 25 years for ships and 40 years for properties. Generally speaking, stoppages should never occur.

## Decisions

Effective use of time means we are prepared for decisions that have to be made. It is the well-prepared person who wins. In situations where no decision is needed, normally no decision is made. Never hesitate though to make a decision in a situation, when a decision has to be made – It is a failure not to make a decision on time. Caring is about using the power you are entrusted with.

We must dare to say and accept both positive and negative truths in time, otherwise it will be too late to adapt. No one will be judged for trying honestly but failing. To change a decision might be costly, but not changing could lead to catastrophe.

It is important that we accept the company's decisions. Not having the conviction to follow the decisions that have been taken could damage ourselves and our Group. Accepting and following company decisions is a condition of our employment, no matter what position we have.



## Definitions of advice, decisions, recommendations and orders

### *Advice*

The aim of every conversation is to give each other good advice – from both employees and managers – to strengthen the way we work together. Advice does not have to be followed.

### *Decision*

Decisions must result in concrete action communicated either in the form of a recommendation or an order – otherwise the decision means nothing.

### *Recommendation*

A recommendation reflects a qualified knowledge or a policy. A project group or a group of managers usually decide on recommendations. A recommendation does not have to be followed, but if it is not, this must be reported.

### *Strong recommendation*

A strong recommendation must be followed, unless the reasons against doing so are very strong. If it is not followed, this must be reported promptly. It is then up to the person giving the recommendation to give feedback directly to the person who does not want to follow the recommendation or indirectly through that person's superior.

### *Order*

Orders are normally given by managers to their direct subordinates. Orders from a direct superior must be followed. If given to a second-tier subordinate, the intermediate manager must be told. The intermediate manager then has the right to change the decision provided he or she immediately informs his/her superior. Every policy is in principle an order.

# COMMITTED EMPLOYEES

## Competence

We are at work to produce and find ways to improve our way of working to benefit ourselves, our colleagues and the company.

We are living in a time where knowledge and information are more accessible than ever before. Therefore, every employee must take personal responsibility for their own competence development. It is not enough to be educated – we have to stay updated.

We believe that employees who are committed to their work will take the initiative to seek further training. We should assist them in this to the benefit of both the employee and the company. It is our duty to inform those who do not wish to participate in further training that they risk losing their jobs in the long term.

## Consistency

Every day, the people we meet expect us to keep our promises and meet their expectations. The world around us invests in us because we invest in it.

Clear and attainable goals and values help us carry on. Despite setbacks and circumstances we cannot influence, we should always do our best to be considerate and perseverant, especially on those days when nothing is going our way. Every day usually has a bright moment.

## Clarity

Our business philosophy must be understood and accepted by all of us. Descriptions and discussions about what they mean, and what their consequences are, must be clear.

For collaboration to function smoothly, we must continuously inform each other of what could be important in order to do a good job. We must regularly discuss the routines and processes that make our work possible. Of necessity, this consists of Power Reserved Lists, goals, personal development and appraisal reviews, the Code of Conduct, the personnel policy, progress reports, and safety, environmental and communication policies.

To benefit from each other's experiences, we have 'Best Practices'. Striving for best practice should not destroy good ideas. Neither should fear of conflict nor convenience make us choose the lowest common denominator instead of the best common denominator. A project manager or the chair of a project group must therefore have the right to decide for the group, if nothing else has been agreed upon. A business unit should have the same systems and processes.

There are many methods to improve our analytical work in order to solve complex, underlying problems relating to several business units. The power of our colleagues' ideas and experiences makes this possible. Many of our business units have developed a 'Stena Way of Production'.

# CORE VALUES IN OUR HEARTS

## CARE

The Stena spirit is characterized by the golden rule: we should do for others what we expect from them. If in doubt, ask the question “What would the world be like if everyone behaved the same way?”

If we always do our best and show respect for people, capital and the world around us, the tensions in the company will decrease and it will be easier to create sustainable values.

- The best way of showing our care for people is to run a safe business in all conditions.
- We also show care by always delivering on time, arriving on time and ending meetings on time.
- We care for our capital by being economical with material resources, fearing losses and generating profit.
- We care for the world around us by looking after our relationships and using the resources of the world sustainably and with our deepest respect.

Our capacity and willingness to care is what unites us in everything we do. At Stena we work together – not just at the same time. Our success depends on our attention to details and our care for each other. The difference between ‘I care’ and ‘I don’t care’ is dramatic.



# INNOVATION

## Determination

Always thinking in new ways is one of the factors that has led us to where we are today. Stena has always encouraged new ideas. Our competitors are always developing, and we too have to stay at the forefront. By adjusting to change early on and being an adaptable explorer, we can support ourselves successfully.

Another key to success is the determination to systematically make our work easier to perform; it should be easy to do the right thing. The desire and bravery to contribute to the company's development and well-being is crucial to our success.

## Energy/creativity

With a high tolerance level, an open mind and the curiosity to explore the truth, together we can find solutions to both known and unknown situations. Colleagues with new ideas should feel appreciated, valued and safe, otherwise their energy and creativity will wither away.

*We must systematically and with approval:*

- appoint people to promote ideas; formulate and set aside resources to explore future known and unknown scenarios, possibilities and threats
- form external and internal networks. In the case of transformative innovations, collaboration with external expertise is valuable
- encourage and partly finance experiments.

## Performance

Nothing gets done by itself. Each problem contains a potential for improvement and each new initiative is an opportunity to improve our future. Everybody loves innovations, but only a few love change.

Every initiative normally has two sides to consider – in other words, duality. Our future success depends on our ability to handle duality with good judgement, care and determination. If we share our experiences and often talk about changes as if they were opportunities, our fear will gradually diminish.

To improve work on change, we must be able to identify and analyse the consequences and alternatives to change proposals. We must understand not just the theory, but the practice too. The solutions must then be carried out systematically and effectively. More and more often we must be prepared and able to scale up these solutions in order to apply them to the whole organisation.

# RESULT

## Business acumen – make money every day

In order to ensure our future and our existence, we need to earn money for the company every day. No one will give us new money, if we overspend what we already have. Just as our customers invest in their businesses, we too must invest in ours. We also need resources to satisfy our customers' long-term needs. Access to capital is crucial to our success.

*Within our various business units, we create financial stability and growth by:*

- profitable recycling (Stena Recycling)
- profitable bunkering (Stena Oil)
- profitable production of customized aluminium alloys (Stena Aluminium)
- profitable trading, processing and distribution of steel products and components (Stena Stål and Stena Components)
- profitable trading (Stena Metal Inc.)
- identify and develop new business areas (New Ventures)
- profitable investments in liquid financial assets (Stena Metall Finans).

Common to all business units is the need for each unit to make money every year and do everything they can to avoid loss. Our material assets should increase in value. We need a sufficient and cost-effective supply of external capital at acceptable risk levels, a positive cash flow in all phases of the business cycle and an equity ratio by the parent company to be sufficient to comfortably weather a three-year recession.

## Continuance and sustainability

Our ideal is to work for the next generation, and what we are striving for should preferably be lasting. This is why it is important that we achieve more than just financial goals.

We also need to follow the developments in digitalization and use new technologies to our advantage – so that instead of being threats to our business, we can use them to ensure our position as leaders.

## Goals and results

Our work makes a difference if it leads to a better, measurable result. Meaningful results show us how well we have succeeded in achieving our important goals, and how well we are performing in relation to the world around us and in comparison to our most skilled competitors.

Our most important goals are safety, financial results, customer satisfaction, general knowledge, employee satisfaction and sustainability.

## Business enjoyment

We want doing business with Stena to be enjoyable. Joy usually goes hand in hand with success. So, sharing the joy is our main goal – in other words, we strive for happy customers who are served by a happy organization.



# THE PROMISE

- Our future depends on us living up to our promise.
- Our values should permeate everything we do for our customers and employees.
- Our care, our ability to innovate and our performance are our most important qualities to ensure success.
- Cooperation and creativity are a promise here at Stena. We dream big, build step by step, are courageous, determined and do our duty. To be successful, we need both EQ and IQ, emotional and theoretical skills in order to be able to switch between feelings and facts. Diverse abilities and backgrounds create good teams.
- New ideas are seldom perfectly formulated, so do not say only 'why' and 'no', but also 'aha' and 'why not'. Proudly use the ideas of others and give each other affirmation and recognition. Work together often in networks with people who make things happen. In collaboration like these, innovations often occur that help us develop and become even better.
- Delegating responsibility and power to act is the key to our success. To create engagement and responsibility we first have to understand the whole and see the value of what we create together.
- Successful clients are happy clients, so we need be the best at doing what is crucial for their success. This is how we live our vision to be 'always the customer's first choice and quality assured partner'.

Take care of yourself and Stena,

*Dan*



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