



UK CHAMBER OF SHIPPING ESG POLICY

V2. DECEMBER 2023

EXECUTIVE SUMMARY

The UK Chamber of Shipping (“the Chamber”) acknowledges the importance of being a good corporate citizen, both in our own right as a company with a direct impact on Environmental, Social and Governance (“ESG”) matters and indirectly via the influence and advice we offer to members.

In recognition of this dual perspective, this document is structured using two distinct sections under each main ESG heading; firstly related to our direct work, policies and procedures and secondly in respect of our indirect work with members in seeking to influence the wider industry.

In producing this policy, the Chamber has been guided by the 10 principles of the [UN Global Compact](#) and the sustainable delivery goals within it. In delivering it, we work closely with a number of external stakeholders; national including the UK and devolved Governments, and international including the International Maritime Organisation (IMO), International Chamber of Shipping (ICS), European Community Shipowners Association (ECSA), and a wide range of NGOs and other organisations.

Going forward, we will continue to benchmark ourselves against developing corporate best practice in addressing and reporting against ESG priorities. This policy should therefore be seen as a living document which will be updated as our own work, policies and procedures evolve.

1) ENVIRONMENTAL

The Chamber acknowledges that the world today is facing multiple unprecedented, interconnected environmental challenges in areas including climate change, clean water, ocean health and biodiversity. We act to reduce our own impact on the environment and undertake initiatives to promote greater environmental responsibility and encourage the adoption of environmentally friendly technologies in accordance with Principles Seven, Eight and Nine of the UN Global Compact.

1.1 **Direct:** UK Chamber Environmental Policy

The Chamber is committed to continuous improvement in respect of our direct environmental impact; while acknowledging that our greatest positive impact will come from our policy work with the Shipping Industry and other relevant stakeholders.

- 1.1.1 **Energy and Water use:** We aim to achieve year-on-year reductions in our energy and water use. We recently halved our office footprint with commensurate reduction in energy use. Our offices are fitted with efficient LED lighting and timer switches. A Quooker tap allows drinks to be made with only the required amount of boiling water.

- 1.1.2 **Pollution and Waste:** We commit to minimising waste and pollution from our activities as a business. We provide glass, metal and paper recycling facilities and encourage their use by staff and visitors. Our refuse collection company is ISO accredited and none of the waste collected goes to landfill. All ink cartridges and other potentially harmful substances are disposed of responsibly. Single-use plastics have been eliminated through the provision of a drinking water fountain and reusable crockery, glass and cutlery. Paper use is minimised by a default double-sided setting for printing, and routine use of scanning. All Board and committee papers are circulated electronically. We achieved a 46% decrease in stationery and paper costs between the first half of FY2022/23 and the equivalent period in FY 2023/24.
- 1.1.3 **Travel and Transport:** We commit to minimising emissions due to staff travel. The Chamber does not provide either company cars or on-site parking and encourages the use of public transport by staff. All meetings are run with a hybrid attendance option to remove the requirement for attendees to travel at all. Our offices are situated to facilitate the use of public transport, and one of the criteria for the selection of external conference and event venues is proximity to a mainline railway station. We operate a flexible workplace policy allowing staff to work from home where feasible, reducing carbon emissions from travel. Our expenses policy explicitly requires staff to consider the environmental impact of business travel.
- 1.1.4 **External Suppliers:** In July 2022 the Chamber moved to smaller offices. This not only reduced operating costs but also made an impact on our environmental footprint. This means we work with external providers of meeting space: we ask that all we ask that all such providers evidence their ESG policy to ensure their values align with those of the Chamber.

1.2 **Indirect:** External Influence and Advice on Environment

The Chamber influences Environmental policy and progress both domestically and internationally. We are committed to driving pragmatic outcomes, with a focus on continuous environmental improvement, encompassing both decarbonisation efforts and pollution prevention.

Our engagement encompasses influencing the UK Government and UK devolved administrations on legislation applicable to both international and domestic shipping. Through our collaboration with the ICS and other stakeholders, we also strive to shape the policies of the IMO. In partnership with ECSA and other national associations, we also contribute to the development of EU policies, ensuring a broad and effective environmental strategy. We firmly support the IMO's target of achieving net-zero greenhouse gas emissions from international shipping by 2050, aligning with the UK national government's Climate Change Plan and the Paris Agreement's goal of maintaining global temperature rise within 1.5°C above pre-industrial levels.

In our pursuit of these goals, we have garnered input from our members, leading to the creation of a Net-Zero Guiding Policy Document. This living document encapsulates our decarbonisation policy and position, serving as a foundation for our advice to Members and stakeholders.

Finally, we recognise the importance of engaging with NGOs and other stakeholders in our journey towards environmental sustainability. These collaborations are crucial in amplifying our impact and ensuring a comprehensive approach to environmental stewardship.

- 1.2.1 **Climate Change:** Shipping is acknowledged as one of the most efficient forms of commercial transport. Yet, due to the vast scale of the industry, it remains a significant contributor to global greenhouse gas emissions, with international shipping accounting for approximately 3% of global emissions. Over the past decade, the sector has made substantial strides in energy efficiency, driven by both technical and operational advancements delivering a 20-30% improvement in carbon intensity since 2008, even as trade volume moved by ships increased by 40%. Our strategic goal is to guide shipping towards net-zero greenhouse gas emissions by

2050, a vision elaborated in our Net Zero Guiding Policy Document. We are actively lobbying the IMO to implement market-based mechanisms and technical measures for industry decarbonisation as well as developing green port infrastructure and supply chains for sustainable, net-zero carbon energy sources. We also acknowledge the critical need for climate resilience and adaptation in the shipping sector. We are dedicated to exploring initiatives that bolster the industry's ability to adapt to climate change, ensuring resilient operational practices and infrastructure to progress amidst rapid environmental change. The Chamber recognises [Scotland Net Zero 2045](#) and supports this ambitious carbon zero target.

- 1.2.2 **Air Quality:** The Chamber remains dedicated to advocating for significant advances in improved air quality. We have actively lobbied the industry to adopt new stringent global sulphur emission standards, which came into effect on 1 January 2020 and successfully reduced sulphur emissions by 77% internationally. Similarly, the Chamber has supported the effective implementation of marine diesel engine improvements, incorporating NOx reduction technologies that have led to significant NOx reductions in designated areas. We also acknowledge the emerging concerns regarding black carbon emissions, and are committed to understanding and addressing the issue of particulate matter emissions, especially in sensitive and ecologically significant regions like the Arctic.
- 1.2.3 **Invasive Aquatic Species & Biofouling:** The spread of invasive non-native aquatic species can significantly impact freshwater, estuarine, and marine ecosystems. The global increase in shipping traffic and reduced transoceanic voyage times have led to a rise in the introduction of non-native marine species across various environments. The Chamber recognises the historical role of ships in transporting these species and is committed to addressing this challenge. Central to this commitment is our strong support for the IMO's Ballast Water Management Convention (BWMC) and the Biofouling Guidelines. Ballast water is identified as one of the most significant shipping vectors in this regard and we have been proactive in supporting the UK's accession to the BWMC. The Chamber has worked with UK Government and other IMO Member states to improve standards of hull coating materials and reduce the impact of vessels on the marine environment. We believe that aligning with IMO standards is essential for ensuring compliance with the Convention by both UK- and foreign flagged vessels operating in UK-controlled waters. However, the UK Government has not yet ratified the BWMC and the Chamber is intensifying advocacy for this to occur – as a vital step towards strengthening our maritime environmental policies and aligning with global standards for the protection of aquatic ecosystems. The Chamber will continue to work collaboratively with the UK Government and industry stakeholders, leveraging our experience and insights to facilitate the effective implementation of the BWMC once ratified.
- 1.2.4 **Green Ship Recycling:** The Chamber is committed to the responsible recycling of end-of-life ships, ensuring that they do not pose unnecessary risks to either human health & safety, or the environment. With the International Convention for the Safe and Environmentally Sound Recycling of Ships, commonly known as the "Hong Kong Convention," now ratified and set to enter into force in 2025, we believe it is imperative that all ships worldwide have access to compliant recycling facilities. We urge the UK Government to ratify this Convention to align with global standards and ensure the highest environmental and safety standards. The Chamber also supports efforts via ECSA to harmonise the EU Ship Recycling Regulation with the Hong Kong Convention. We advocate that any enhancements to ship recycling practices should be proposed at IMO level to ensure a uniform global approach.
- 1.2.5 **Underwater Radiated Noise:** Shipping noise is recognised as an important marine conservation issue. The Chamber supports the pragmatic implementation of the revised 2023 IMO Guidelines for the reduction of underwater noise from commercial shipping to address adverse impacts on marine life with the view to increase its implementation and effectiveness. We have established an expert group on underwater noise to help contribute constructively to the work of the IMO. As with many complex and evolving environmental issues, scientific

and technical research is critically important. To this end the Chamber is proactively collaborating with environmentalists, regulators, scientists, and other industry bodies to fill the significant knowledge gaps and assist the progress made in the UK and by the IMO.

- 1.2.6 **Marine Plastics & Garbage:** Whilst the majority of marine garbage originates from onshore sources, ship-generated garbage also plays a role and can be as detrimental to marine life as oil spills. Recognising that plastics and other disposable products can persist in the marine environment for centuries, posing risks such as ingestion by marine life and entrapment hazards, the Chamber is committed to addressing these issues holistically. Our voluntary Single-Use Plastic Charter, accompanied by a practical guidance document, signifies our dedication to fully eradicating plastic pollution from ships to sea. Member signatories have pledged to go both beyond the UK Government's commitment to ban single-use plastics and the IMO's work in this area. However, acknowledging the need for a broader approach, the Charter's scope has been expanded under a revitalized working group to encompass all single-use items. We focus on material sustainability aboard ships, advocating for practices that consider the environmental impact of the materials used. This includes the innovative management of waste and the adoption of sustainable procurement practices. In recognition of the integral role of supply chain engagement in achieving these objectives, the Chamber is collaborating with the International Maritime Purchasing Association on its "SAVE" programme. This partnership aims to amplify the impact of our Charter and associated activities, promoting the concepts of sustainable procurement and waste management. The British Tug Owners' Association has supported the active recycling of cordage and the container lines are reducing their reliance upon plastic packaging.
- 1.2.7 **Arctic & Antarctic Protection:** The Chamber acknowledges the heightened environmental and safety risks posed by operations in the Arctic and Antarctic, particularly in the context of increasing shipping activities and climate change. We fully endorse the special measures under the 2017 IMO Polar Code, which provides crucial guidelines for ships operating in polar waters. We are actively engaged in efforts to improve the Polar Code and support the IMO in work aimed at establishing robust protection measures for these regions. Our goal is to promote and practice safe and sustainable shipping, via adherence to regulatory frameworks and by leading in environmental stewardship in these ecologically critical regions.
- 1.2.8 **Marine Wildlife Conservation:** Our dedication to ship safety and pollution prevention extends to safeguarding marine mammals and other sea life in their natural habitats. We acknowledge the importance of IMO-designated Particularly Sensitive Sea Areas which are recognised for their ecological, socio-economic, or scientific significance and are especially vulnerable to the impacts of shipping activities. The Chamber endorses ship routing measures designed to prevent ship strikes, especially during breeding seasons, by directing maritime traffic away from critical habitats. The Chamber also plays an active role in engaging with the designation of marine protected areas in the UK. In addition to regulatory efforts, we collaborate with conservation organisations like ORCA, promoting their Marine Mammal Surveyor scheme among our members. This partnership aids in the collection of vital data on whales, dolphins, and porpoises, contributing to broader conservation efforts. Furthermore, as a signatory to the Buckingham Palace Declaration we share the commitment to eradicating the illegal transportation of wildlife.

2) SOCIAL

Social sustainability is about identifying and managing the impact of business, both positive and negative, on people. Both directly and indirectly the Chamber's work and policies affect the lives and welfare of our employees, members, stakeholders and local communities.

2.1 Direct: UK Chamber Social Policy

The Chamber is committed to being a good employer. Our staff are treated fairly, offered opportunities to develop, and provided with a safe and healthy workplace. Our staff handbook is regularly reviewed and includes a wide range of policies to support a positive working environment.

- 2.1.1 **Employment practices:** All staff are provided with plain language employment contracts which set out their duties, terms and conditions. Employment conditions include generous holiday and sick pay allowances and enhanced parental and adoption leave. Our staff handbook includes a section on work-life balance, and staff are discouraged from regularly working in excess of their contracted hours. All staff receive structured feedback through a bi-annual appraisal process, and we maintain a transparent salary framework which promotes equity. The Chamber's recruitment and employment policies are non-discriminatory, in accordance with Principle Six of the UN Global Compact. We have clear HR and recruitment policies which promote equality and diversity, irrespective of age, disability, gender, race, or any other characteristic protected by law.
- 2.1.2 **Health & safety:** We provide safe and healthy workspaces for staff and visitors, with no reportable incidents in the past five years. We offer an employee assistance programme, which includes mental health support. Our employment practices and policies aim to eliminate workplace bullying and harassment and create mechanisms to enable effective whistleblowing. An effective induction process provides assurance of office safety from the first day, and a trained staff member undertakes workspace assessments both in the office and at home including the provision of necessary ergonomic equipment. We have a clear absence management policy to promote staff welfare.
- 2.1.3 **Staff training & development:** The Chamber supports staff in developing their skills, knowledge and experience through training and mentoring. This includes financial assistance and study leave for those working to gain a relevant professional accreditation. We provide training to all staff as required in order to support our broader employment policies - such as training on appraisals, mental health awareness and equality, diversity and inclusion.
- 2.1.4 **Charitable donations:** We support a number of charities; local, national and shipping-related. Social activities are organised around charity events including Great City Run and MacMillan cake days. Every year funds are raised for the President's charity at the Annual Dinner and other events, and we support maritime charity fundraising events such as the SSBA dinner.
- 2.1.5 **External contractors:** We require and fund all direct contractors (such as office cleaning providers) to pay at least the local Living Wage.

2.2 Indirect: External Influence and Advice on Social

Our work with Members aims continuously to improve the social contract of Seafarers, and strives to provide a working environment in which they are safe, connected and able to flourish. This includes collaborative work with industry social partners at national and international level with the objective of developing legislation supporting continuous improvement of working conditions aligned with the UN Social Development Goals through the [Joint ILO-IMO Working Group](#).

- 2.2.1 **Human Rights:** The Chamber supports and respects Human Rights globally, in line with Principles One and Two of the UN Global Compact. We encourage members to comply with all relevant legislation and avoid any complicity in abuses including child labour or indentured servitude in accordance with Principles Four and Five. We help the maritime industry to support human rights globally through the dissemination of advice and best practice to members. The Chamber has publicised to members the Government's guidance to businesses on upholding human rights. We represented members' views to Government in the preparation of the Modern Slavery Act 2015. With input from members and NGOs, the Chamber is producing a document intended to help the industry develop strategies for countering human-trafficking and slavery activity.
- 2.2.2 **Promoting SOLAS Principles:** The Chamber campaigns alongside seafarers' trade unions to push for Government action to assist merchant seafarers who, in accordance with their obligations under international law, perform humanitarian acts of rescue for persons in distress at sea. We are pressing for coastal states to permit the prompt disembarkation of persons so rescued (as well as stowaways) and for any risk of criminalisation for performing these humanitarian acts to be removed.
- 2.2.3 **Safety:** The Chamber actively promotes safety in the wider maritime industry through seminars and guidance, acting as a hub for the dissemination of data and best practice among members and actively raising awareness of emerging issues. The Chamber holds an annual safety culture conference, and promotes participation in *Together in Safety*; a free online resource with examples of good health & safety practices. The Chamber's Safety Charter has been adopted by over 30 member companies and enshrines a commitment to continuous improvement in safety in the maritime working environment.
- 2.2.4 **Employment in Shipping:** The Chamber represents UK maritime employers at the ILO, and played a key role in the drafting and introduction of the 2006 [Maritime Labour Convention](#) (MLC). We run regular training courses for members on the application of the MLC, and promote compliance with its terms by member companies. We promote an industry is inclusive of all talent and champions diversity as an underpinning strength.
- 2.2.5 **Seafarer Welfare:** We maintain a joint committee with the seafaring trade unions which issues policy guidance to shipping companies on a range of welfare topics including alcohol & drug misuse, infectious diseases, violence & aggression, and seafarer mental wellbeing. Our work and input into MLC improvements has addressed repatriation and crew abandonment and we are striving to reduce anti-bullying and sexual harassment. The Chamber is represented both directly and via the nomination of shipowner members on the Council of the Merchant Navy Welfare Board which is the Government-recognised national seafarers' welfare board providing support to seafarer charities, many of whom are members of the Chamber.
- 2.2.6 **Seafarer Training and certification:** The Chamber acts as host to the [Merchant Navy Training Board](#) (MNTB); a long-established tripartite organisation involving shipowners, maritime trades unions and maritime training institutions. The MNTB is dedicated to maintaining the highest standards of seafarer training in the UK, and to supporting high-quality recruitment of personnel into careers at sea.
- 2.2.7 **Accessible Travel:** The Chamber's Mobility Working Group establishes policy and shares best practice in the accessibility of maritime transport for passengers with physical, sensory and intellectual disabilities. The group is directly engaged with Government with the joint aim of improving accessibility in passenger shipping.
- 2.2.8 **Animal Welfare:** The Chamber promotes the protection of animal welfare on ships, and as a signatory to the 2016 [Buckingham Palace Declaration](#) supports work to eliminate maritime trade in endangered animals or illegal animal products. Our adherence to the Declaration's eleven commitments signals our resolve to increase awareness, facilitate information sharing, and strengthen reporting and enforcement mechanisms in this crucial conservation effort.

3) GOVERNANCE STANDARDS

The Chamber is committed to working against corruption in all its forms, including extortion and bribery, in accordance with Principle Ten of the UN Global Compact. We promote compliance with applicable Law both national and international.

3.1 Direct: UK Chamber Governance policy

The Chamber's policy is to maintain the highest achievable standards of corporate governance, commensurate with our status as an SME. Our processes and policies are designed to ensure the overall effectiveness of the Chamber. Above all, they provide assurance to Members of financial probity and that corporate strategy and policy decisions remain Member-led.

- 3.1.1 **Board Structure:** The Supervisory Board's structure and processes are regulated by agreed Terms of Reference that lay out its purpose, role, composition and competencies. The ToRs also specify the roles of its various policy committees, sector panels and governance committees. As a membership organisation, the principle of majority non-executive representation by members is key. Supervisory Board and all three governance committees are comprised exclusively of non-executive members, whilst the Executive Board has a built-in non-executive majority. All Board members are required to complete an annual declaration of interests and a central register is kept.
- 3.1.2 **Panels & Committees:** The Chamber forms panels or committees of members to co-ordinate and prioritise our work in particular areas of shipping policy or industry sectors. These report quarterly to the Supervisory Board. We also maintain a suite of Governance Committees consisting of appropriately skilled individuals, nominated by the membership. Currently these comprise a Finance, Audit and Risk Committee (FARC); a Nominations and Governance Committee; and a Remuneration Committee. All these governance committees report to the Supervisory Board and have their ToRs approved annually by the Board. The Nominations and Governance Committee regularly reviews the entirety of Chamber governance and makes direct recommendations to the Supervisory Board for any required changes. Executive pay, as well as wider staff remuneration issues, are the responsibility of the Remuneration Committee which is entirely made up of non-executives drawn from the membership. The FARC is responsible for overseeing the Chamber's financial reporting systems, and internal accounting and financial controls, including the integrity of our financial statements.
- 3.1.3 **General Conduct & Anti-Corruption:** Staff are required to act professionally and appropriately at all times. The staff handbook has clear grievance, disciplinary and whistleblowing policies detailing what constitutes unacceptable behaviour, how to report it, and how it will be dealt with. We also publish guidelines for staff on their own and corporate social media use to ensure the Chamber's reputation is protected. Our financial systems are designed to minimise the risk of corruption or fraud, including tiered authority levels for both expense authorisation and supplier payments which are reviewed annually by the FARC. Our staff handbook also includes a policy on the acceptance and declaration of hospitality and gifts.
- 3.1.4 **Legal compliances:** The Chamber aims always to comply in full with our legal responsibilities as prescribed in The Competition Act 1998, and the Data Protection Act 2018 amongst others. As an industry body, compliance with Competition Law is of paramount importance: the Supervisory Board have approved the Chamber's Competition Law Compliance policy and our HR policies include guidance to all staff on Competition Law.. The staff handbook lays out how the Chamber stores and processes staff personal data and that of third parties, and how any issues raised under GDPR will be dealt with.

3.2 Indirect: External influence and Advice on Governance

Our work with Members aims to deliver standards of governance which align with international protocols such as UN standards and strives to make our organisation a benchmark for international shipping companies.

- 3.2.1 **Promoting International Maritime Standards & Principles:** The Chamber advocates for the UK Government to ratify key international conventions and treaties for the shipping industry. Where the UK has either implemented model law or ratified international conventions & treaties - unless there are exceptional circumstances - the UK should by default implement and enforce its obligations accurately and in a manner consistent with international law.
- 3.2.2 **Corruption, Bribery & Data Protection Advice:** The Chamber has published practical guidance for the UK shipping industry on compliance with the [Bribery Act 2010](#) and with Data Protection legislation. The guidance on the Bribery Act was prepared in consultation with Government and promotes compliance with the law by encouraging companies to support their crews when they are met with demands for unwarranted gifts or payments.
- 3.2.3 **Sustainable Finance and Reporting Standards:** The Chamber works to increase the level of understanding among non-shipping regulators and stakeholders of how the ESG issues disclosed by vessel operators should reflect progress in developing regulatory standards and targets for shipping at international level. We also advocate for regulatory compatibility and streamlining of requirements across jurisdictions implementing their own national disclosure regimes, in recognition of the industry's unique role in facilitating global trade and services. We act to highlight the complexities of the shipping industry, and the nuances of each sector and sub-sector ranging from the carriage of goods and passengers to the provision of wide-ranging and often complex offshore activities. Through such reporting, the Chamber considers it helpful that ESG disclosures to investors and financial institutions should aid in access to more sustainable and transition financing.

Approved by Supervisory Board 12th December 2023