



TOWARDS CLEANER & GREENER SHIPPING



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COMMENTARY



prepping a future-ready fleet

Eastern Pacific Shipping's emphasis on protecting the environment has received many accolades. Its Sales and Purchase Manager, Mr Dan Kwek, believes that their Environment, Social & Governance Policy will help the company meet future sustainability goals and global emissions standards

I am proud to say that Eastern Pacific Shipping Pte Ltd (EPS) is one of the first private companies to publicly report its carbon dioxide emissions. Our carbon dioxide emissions report is reviewed in January for the previous calendar year and released shortly after. We manage one of the largest private fleets globally and what we do affects the industry, our stakeholders, and our people. We also have an impact on the communities where we operate and on the environment. To be accountable to all these parties, we implemented the EPS Environmental, Social & Governance (ESG) Policy. This policy, along with our code of business conduct and various other

policies, are evaluated regularly to ensure that we are not only compliant with the latest regulations, but also that they remain aligned with our values.

When doing this, it's important for us to be focused but also flexible. Things change, and we need to be able to adapt quickly. By doing so, we can continue our sustainability journey realistically and pragmatically. That's why we take a methodical and responsible approach towards lowering our carbon footprint and making real change.

A CULTURE OF ENVIRONMENTAL PROTECTION

Although the ESG Policy was implemented in 2019,

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environmental protection has always been part of the EPS culture. Since our inception, we have adhered to an internal Environment Protection Policy that applies to all we do at sea.

In 2019, we won the Lloyd's List's Company of the Year Award, and in 2018, we were the first shipping company in Asia Pacific to be awarded a Green Loan by BNP Paribas. Other recognitions we received in the past few years include Qualship 21, the Green Award, and ISO 14001 Certification validating our Environment Management System. This culture of environmental protection has influenced our onshore practices as well, resulting in our Singapore Headquarters receiving the Eco Office Certification by the Singapore Environment Council for our conservation and waste management standards.

These policies, procedures and behaviours were aligned, but they were also fragmented. Thus, we decided to bring everything together under one sustainability umbrella in 2019, which saw the ESG Policy being introduced.

BENCHMARKS & TARGETS

We are routinely audited by third parties for the environmental portion of the ESG Policy to ensure it is running as efficiently as possible at sea and on shore. These third parties include classification societies, government agencies, and private enterprises. This ensures we are on the right track, while giving us data that we can use to measure against ourselves and the industry.

When conducting these exercises, we are conscious of making apple-to-apple comparisons. With external benchmarking, you need an in-depth understanding of what is being offered. That is why we feel the best benchmarking is against ourselves, and letting the public hold us accountable for our performance.

Given the diversified nature and size of our fleet, we decided to use the Annual Efficiency Ratio (AER) and Energy Efficiency Operational Indicator (EEOI) formulas, as they take into consideration fuel types, consumption, deadweight tonnes, voyage distance, and cargo weight. I am happy to report that our 2019 fleet-wide AER was 4.7g / deadweight tonne / mile. This is a fantastic number, and shows steady improvement over the past few years.

MEETING IMO 2020 REGULATION & BEYOND

Our entire fleet is already compliant with the IMO 2020 sulphur cap regulation. We also have an ambitious newbuild programme, with more than 30 vessels set to join our fleet in the coming years. For these vessels, we have chosen vendors and engine manufacturers that offer cutting-edge, environmentally friendly solutions. EPS is also committed to using alternative marine fuels, such as liquefied natural gas (LNG) and liquefied petroleum gas (LPG).

These two fuels are proven to significantly lower greenhouse gas emissions — specifically carbon dioxide, sulphur oxide, nitrogen oxide, and particulate matter. In fact, they already meet the International Maritime Organization's (IMO) 2030 regulation, which mandates a 40% reduction of greenhouse gas emissions in the next 10 years. When cleaner marine fuels become available, we will certainly adopt them. But for the sake of the environment, we have to act now, hence our decision to use LNG and LPG. Why should we wait for years to see whether something better comes along when there is a real solution available now?

The next target for the industry is IMO 2050, which calls for a 50% reduction in emissions. While there is no answer to that today, we believe that LNG and LPG will act as essential building blocks to the next solution. When that solution is ready, we will be there to adopt it.



ABOUT MR DAN KWEK

With 13 years of shipping experience, Mr Dan Kwek is the Sales and Purchase Manager of Eastern Pacific Shipping Pte Ltd (EPS). Since joining EPS in 2015, he has been involved in multiple sales and purchase transactions.

Mr Kwek holds a Master of Science (Maritime Studies) degree from Nanyang Technological University. He is active in the Singapore Shipping Association, and is part of its Digital Transformation Committee and Young Executive Group. He is also the Honorary Treasurer of the Society of Naval Architects & Marine Engineers Singapore.

Before entering the private sector, Mr Kwek spent four and a half years with the Maritime and Port Authority of Singapore (MPA) in an industry development role, administering the MPA MINT Fund, which promotes maritime R&D as well as technology development and adoption.

