

sustainable shipping initiative

vision 2040





The Sustainable Shipping Initiative (SSI) brings together leading companies from across the industry and around the world, to plan how shipping can contribute to – and thrive in – a sustainable future.

A Vision for a sustainable shipping industry in 2040

The members of the Sustainable Shipping Initiative recognise the importance of shipping to the global economy, with commercial ships transporting 90% of global trade. But, as we found in our *Case for Action*, the operating environment of the future is likely to be dramatically different from today.

As leaders in our industry, SSI members want to show the way towards a better future – for our own success and for wider society, with sustainable shipping serving a genuinely sustainable economy.

In the *Case for Action*, the SSI explores global trends, which show that there are major challenges facing the industry and the way it currently operates. The anticipated, radical changes in the external operating environment indicate an urgent need to reshape the way in which shipping business is conducted.

SSI members have set out their vision and aspirations – backed up by specific commitments to action. This recognises their responsibilities to the **environment** (the finite natural resources upon which we all rely); to **staff** and **customers**; and to **communities** (the lives of those touched by our industry).

our vision for a sustainable shipping industry

Shipping plays a critical role in the global economy. Recognising that the challenges of the future demand significant change, SSI members have developed a shared Vision for 2040 – a vision in which sustainability equals success.

We understand that this means:

- Changing to a diverse mix of energy sources, using resources more efficiently and responsibly, and dramatically reducing greenhouse gas intensity.
- Providing safe, healthy and secure work environments so that people want to work in shipping, where they can enjoy rewarding careers and achieve their full potential.
- Earning the reputation of being a trusted and responsible partner in the communities we live, work and operate.
- Developing financial solutions that reward sustainable performance and enable large-scale uptake of innovation, technology, design and operational efficiencies.
- Transparency and accountability drive performance improvements and enable better, sustainable business decision-making.
- Proactively contributing to the responsible governance of the oceans.

SSI members share this vision for a sustainable shipping¹ industry.

We commit to working towards this in all our own operations and/or activities that involve shipping, and in all our dealings with and support for the shipping industry to make our vision a global reality by 2040.

We will vigorously pursue action both individually and collectively to work towards the vision.

We will also seek to influence national and international standards and policies to support the achievement of this vision, by working with others in our industry, governments and other relevant stakeholders around the world.

Vision signatories:



¹ The guiding scope principle of the SSI is that it focuses on the strategic sustainability impacts of or on ships or shipping. Related land based activities – such as those of ports, shippers, customers or financiers – will be included only to the extent that they act as enablers for or otherwise significantly influence shipping sustainability.



Forum for the Future and WWF are NGO facilitators and supporters of the SSI. Their role is to co-ordinate the team and ensure that the SSI continues to be a voice for leadership.

key areas for action

Our vision sets out our aspirations for 2040. But we cannot wait until 2040 to become sustainable; we need to act today. Achieving this vision is a journey. There are many things that we do not know now that may play a key role in the future. However, we want to generate action and real outcomes. Based on what we know today, we have identified a wide range of areas for action.

We will need to:

- Pioneer/implement aggressive improvements in energy efficiency in new ship designs, retrofitting and operations.
- Actively seek renewable and other energy sources to encourage a step-change in shipping's energy portfolio to achieve significantly reduced greenhouse gas intensity.
- Implement systems to trace and increase accountability of ship building materials and their sources, with the ultimate aim of having end-to-end responsibility and accountability for these materials.
- Engage our partners to achieve major supply chain efficiency gains.
- Explore ways to put a financial value on ecosystems goods and services to ensure responsible resource use and reduce ecosystem impacts.
- Adopt labour standards across the shipping industry to improve safety, security, living conditions, wages and reward for workers.
- Implement best practice in leadership and employee development to attract people to shipping careers.
- Develop and facilitate the implementation of economic, social and governance best practices that benefit the key communities affected by the industry.
- Work in partnership to share risks and benefits associated with developing, testing and implementing sustainable innovation and technology for both new-build and retrofit of ships.
- Pioneer methods for shipping's stakeholders to compare sustainability performance in order to drive improvement. Encourage shipping customers to make sustainability performance a key factor in selection and promote global adoption of an agreed set of performance standards.
- Develop preferential access to capital and insurance that rewards high sustainability performance.
- Work with key policy and regulatory fora and with relevant stakeholders to balance the rights and responsibilities for use and access, and improve ocean governance.
- Support the development of coordinated and progressive legislation aimed at significantly improving social, environmental and economic sustainability across the shipping industry.



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work streams

We are committed to achieving the change described by our vision. Our first priority is to address the areas where there is most potential to work together to accelerate change. We will do this through a limited number of work streams that will explore innovative solutions to complex challenges.

This first set of work streams will be scoped between November 2011 and early 2012 and will be launched in Spring 2012.

The first work streams are:

Financing new technology

The challenge:

Our “Case for Action” identified ship financing as a key barrier to a sustainable shipping industry that must be overcome if we are to respond effectively to future challenges.

Key area for action:

This work stream will develop new partnerships in which the risks and benefits associated with developing, testing and implementing sustainable innovation and technology are shared.

The initial plan:

We will first map out what exists already and then investigate various finance mechanisms that could be applied to shipping. We will then run a series of pilots where partners share risk through different types of financing for different kinds of innovations. These will be evaluated and developed further.

The ultimate objective:

We want to roll out a set of finance mechanisms that mean the wider industry can get faster access to the technology available and that the most important new innovations are supported.



Reducing the life-cycle impact of vessels

The challenge:

The shipping industry is heavily dependent on steel and other finite resources to build ships. Recycling of component parts and ship-building materials today is often done in a polluting and dangerous manner, with valuable resources being wasted. The challenge is to design and recycle ships in a way that drives much higher and far better recycling of the materials used.

Key area for action:

This work stream will develop a system to document materials used to build ships to gain a better understanding of the life-cycle impacts of ships and how these impacts can be reduced.

The initial plan:

We will develop a database of the materials used to build ships and pilot its use on selected new ship-building projects. We aim to use the system to progressively phase out unwanted materials and demonstrate responsibility for the use of materials.

The ultimate objective:

We want to develop and implement systems to trace and increase accountability of the materials used to build ships – including their sources – with the ultimate aim of taking end-to-end responsibility for materials used in ship building and optimising their reuse and recycling.

Producing a standard of standards to drive improved sustainability performance

The challenge:

There are many green/environmental standards for shipping, each covering different aspects of sustainability, but global co-ordination and agreement are lacking. The challenge is to produce a global beyond-compliance standard of standards framework in order to improve transparency, simplify verification and encourage improved sustainability performance.

Key area for action:

This work stream will review existing standards and pull together a framework for what this standard should look like, as well as a process that provides clear steps towards producing a workable standard.

The initial plan:

We will bring together a group of diverse stakeholders to produce a framework with scope and purpose. We will also develop a clear process for delivery of this framework that has buy-in from key stakeholders.

The ultimate objective:

We want to produce a framework for a global ‘beyond-compliance’ standard that will drive improved sustainability performance in shipping. We also need to develop a means of implementing this framework and measuring success, with standardised indicators taking into account issues such as materiality, the complex nature of the shipping industry and the needs of a diverse range of stakeholders. We should establish an independent, credible and robust governance structure and process for the framework.

A step change in energy technology innovation and uptake

The challenge:

There are many initiatives looking at using new energy technologies – from slow steaming and virtual arrival through to concept ship development. But how do we ensure that a joined-up approach is taken, and that innovation and uptake are ambitious enough to achieve our Vision for 2040?

Key area for action:

This work stream aims to identify key opportunities and barriers associated with the innovation and uptake of technology. This will be achieved through close consultation with other operators in this field to identify synergies, leading to experimentation with new types of technology.

The initial plan:

We will assess the landscape and identify key partners, enabling us to develop a road-map for technology uptake. We aim to identify levers for change and current barriers to uptake, then assess where best the SSI collective can add value. This may involve practical actions such as testing technologies or new practices.

The ultimate objective:

We want to see the wide uptake of technologies that reduce ship energy consumption and enable dramatic cuts in greenhouse gas emissions. It is important to drive changes in the way ships are designed and operated and have reliable measuring and monitoring systems adopted.

governance of the vision

These work streams and individual actions will be overseen by the SSI Steering Group, with regular reporting to industry stakeholders.

Signatories of our vision will:

- Support the vision and relevant key actions in their business and/or organisational strategy.
- Publicly communicate on their contributions to the vision and SSI activities.
- Provide information to allow the SSI to report on progress every six months.
- Play an active role in the SSI Steering Group.
- Contribute to the development of at least one of the first four work streams.

We want others to join us on this journey to put sustainability at the heart of our industry. Through our partnership, these commitments and strong leadership, we can create our future; a thriving shipping industry that is both profitable and sustainable.

If you are interested in being involved with any of these projects – please get in touch by emailing: ssi@forumforthefuture.org

In making the commitments set out in this vision, the signatories also acknowledge that any and all work streams, information sharing and other activities undertaken in pursuit of this vision must be fully compliant with all applicable EU and national antitrust and/or competition laws. Each signatory therefore undertakes to operate within the constraints of such laws at all times whilst participating in the Sustainable Shipping Initiative.



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About the SSI

The Sustainable Shipping Initiative is not just about understanding what the future might hold. It is also about shaping the future.

In May 2011 we launched the *Case for Action*, which identified the principal global trends that will profoundly affect the maritime sector over the next 30 years. These include new patterns of trade, shifting global powers, rising fuel costs and changing customer demands. We examined how they interact to create significant challenges for the industry. We also identified the risks and opportunities these challenges present. The *Case for Action* can be down-loaded from our website at the URL given below.

It is apparent from these challenges that the industry of 2040 will need to look very different from today's. For the leaders of today to create and succeed in the industry of 2040, it is important to know what that future industry will look like and to decide together what we are all aiming for – to have a clear vision.

By describing what a sustainable shipping industry could look like, the industry can develop appropriate strategies to ensure a profitable, successful future. To build this ambitious vision, the SSI Steering Group of leading organisations from across the shipping value chain worked with Forum for the Future and WWF over a series of facilitated workshops. Participants used the *Case for Action* to help identify the key risks and opportunities facing the industry. They then used a sustainability framework called the Five Capitals² to build up a vision for a sustainable industry in 2040. These are backed up by a series of specific actions.

To find out more visit:

[www.forumforthefuture.org/project/
sustainable-shipping-initiative/overview](http://www.forumforthefuture.org/project/sustainable-shipping-initiative/overview)

**This document was written by the SSI
Steering Group members, facilitated
by Forum for the Future.**

**Forum for the Future is a non-profit
organisation working globally with business
and government to create a sustainable
future. We aim to transform the critical
systems that we all depend on, such as food,
energy and finance, to make them fit for the
challenges of the 21st century. We have 15
years' experience inspiring new thinking,
building creative partnerships and developing
practical innovations to change our world.**

www.forumforthefuture.org

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² <http://www.forumforthefuture.org/project/five-capitals/overview>