



ESG Ship Vetting – A new approach

ESG and responsible business conduct has become an important topic for the maritime industry and the expectations of key market players are affected by this development. Despite the existence of many different ESG-reporting standards, we now see a trend towards a more coordinated approach in respect of ESG requirements and independent ESG vetting. Not the conflicted audits provided by a shipowner or charterer, or existing industry service providers whose existing income streams and ownership models, means they are conflicted, therefore unable to provide independent ESG audits to stakeholders outside the core industry.

The maritime industry should therefore prepare for more stringent ESG auditing and reporting requirements by their customers because of increasing customer awareness, global and regional standards such as the EU Taxonomy type regulation and national laws such as the German Supply Chain Act (LkSG).

To address this, ESG Ship Vetting has been launched by Bryce Lawrence and Frank Coles to be industry's first independent, non-conflicted ESG service focusing on two key risk areas in the maritime logistics industry.

ESG Ship Vetting is a service to help importers, exporters, cargo owners, some limited charterers, and maritime financial institutes, demonstrate that they have analysed, and can accurately report, the ESG / Sustainability risks of the entire supply chain. This service is set up to provide assurance only to those paying to have their cargo onboard vessels or investing in vessels. Enabling them to demonstrate to their stakeholders that they are managing their entire supply chain ESG / Sustainability risks.

ESG Ship Vetting provides specific targeted ESG / Sustainability assessment and risk management services that focus solely on **Seafarer Welfare** (exploitation of seafarers and abuse of their human rights) and **Ship Breaking** (human rights, safety and environmental concerns linked with the disposal of ships on Southeast Asian beaches).

To remain an independent and non-conflicted service, ESG Ship Vetting will not provide any services to vessel owners, ship management companies or crew management companies.

By remaining truly independent, we deliver our clients non-conflicted, honest, unbiased, evidence-based risk assessment, against existing good practice standards. We expect that ship management companies, existing ship vetting companies and others inside the industry will start to offer ESG services. But this conflicts with their existing roles and income streams in the industry and the audit process.

There are also some questionable ownership conflicts of interest in the existing industry ship vetting practices which aren't acceptable in other industries. The mechanics of the ESG audit mean that the practices of these same companies must be under scrutiny. ESG is designed to eliminate the self-regulation and green/blue washing practices of the industry

"We identified that the majority of the companies paying to have their product shipped by sea, are not aware of the ESG / Sustainability issues that blight the industry, are not aware of the conflicts of

interest in ship certification/auditing and are not aware of the lack of effective regulatory enforcement that allow these issues to flourish” explains Bryce Lawrence, Founder of ESG Ship Vetting.

Frank Coles, Strategic Advisor to ESG Ship Vetting, a shipping industry insider, who until the end of 2020 was the CEO of a large ship and crew management company based in Hong Kong, says “It is an open secret in the industry, that seafarer welfare and human rights abuses occur in the shipping industry and it is known these practices would never be accepted onshore in developed countries or by customers in those developed countries”.

“What’s more, there are some major players in the shipping industry who skirt the rules that apply to them and allow their old ships to be illegally and unethically disposed of on the beaches of southeast Asia, by companies that have no regard to safety, labour conventions, human rights, the environment and child labour laws” adds Bryce Lawrence.

Bryce continues to explain the value this service adds to ESG Ship Vetting’s clients, “We provide a service to help importers, exporters, some limited charterers and maritime financial institutes, to assess and manage their ESG risks and demonstrate commitment to good ESG practices. Our clients don’t want to be associated with the emerging human rights and environmental issues of seafarer welfare and ship breaking in their supply chain. Having worked on ESG issues in the manufacturing and material parts of their supply chain, they are now proactively looking at the missing link in their supply chain risk management.”

Many companies have analysed their ESG and sustainability risks in their supply chain. These companies have rightly assumed that because the shipping industry has many international standards and regulations, that are inspected by government organisations and internationally accredited maritime organisations, that the maritime shipping part of the supply chain has minimal risks.

Unfortunately, this couldn't be further from the truth.

The truth is that human rights, safety, and environmental issues plague the maritime industry.

For thousands and thousands of Seafarers the reality is; forced overtime, little or no access to medical treatment, no shore leave in many ports around the world, work/rest hours abuses, inadequate nutrition, being lied to about when they will be allowed shore leave or even worse, when they get to fly home to their families, or being paid for months at a time, if at all, crews being forced to sign documents stating they are voluntarily staying at sea for a second 9 month voyage, despite this still being illegal, internet turned off to prevent home and inter-ship communications as well as with labour unions, and rape & sexual abuse.

“Despite there being plenty of rules and conventions that are intended to prevent these issues occurring in the shipping industry, the shipping industry is largely self-governing, with little transparency, too many conflicts of interest for the key actors and sadly plenty of corruption” says Frank. “Even the regulation of shipping is highly ineffective and conflicted.”

He goes on to say “As the CEO of a large ship and crew management company, I was not able to have the influence on seafarer welfare as I would have liked to have. As a mariner myself, I am committed to improving seafarer welfare. As a strategic advisor with ESG Ship Vetting, I am now able to approach the issue of seafarer welfare from a different perspective.”

As a final point, Bryce Lawrence clarifies “ESG Ship Vetting is not a one stop shop ESG / sustainability shipping industry vetting service. ESG Ship Vetting does not provide any ESG services relating CO₂ emissions in the shipping industry or other environmental services. We provide a targeted specialist service for an existing problem that is becoming an emerging issue for shippers and investors”

For further information go to <https://esgshipvetting.com> or contact Bryce Lawrence on bryce@esgshipvetting.com or +49 172 239 2038

Background

Bryce Lawrence, Founder – Hamburg, Germany.

Bryce comes from an environmental, safety, emergency response, maritime regulation and maritime search and rescue background. Through this experience, Bryce was exposed to the plight of seafarers on tankers, container ships and fishing vessels.

During his time working in energy industry projects around the world, Bryce was involved in ESG and Sustainability risk assessments, vessel vetting /chartering projects, and Mergers & Acquisition projects.

He became an experienced ESG Risk Management specialist, leading projects that positively impacted the environment as well as vulnerable and indigenous people, as well as building operational due diligence skills during a significant number of M&A projects.

ESG Ship Vetting combines his skills and experience in an area he is passionate about. Helping vulnerable people by supporting clients who care about their supply chain.



Frank J Coles, Strategic Advisor – Florida, USA.

Frank is a Master Mariner, Maritime Lawyer, and former CEO of two internationally respected Maritime Technology companies as well as, but more importantly, the former CEO of a Ship and Crew Management company.

At the end of 2020, Frank resigned from this role in Ship and Crew Management, partly due to the inability to make the required positive changes he believed were needed to be made for seafarer welfare. Since then, he has committed a large portion of his time to advocating for seafarer welfare. Using his inside industry knowledge, he is now trying to positively influence the lives of seafarers from a different perspective.

Distributed by

Bryce Lawrence

Managing Director

ESG Ship Vetting by Global Risk Management GmbH

bryce@esgshipvetting.com

ESGShipVetting.com

M +49 172 239 2038

Kabels Stieg 23a, 22850 Norderstedt, Germany

Registration Court: Kiel, HRB 22450 KI