



*Swedish Shipowners' Association*

# The Swedish Shipowners' Association Environmental Policy



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## **Environmental Policy.**

*At its board meeting on 24 October, 2001, the board of the Swedish Shipowners' Association adopted the following environmental policy*

The oceans have a unique potential. The Swedish Shipowners' Association will work to ensure that the Swedish shipping industry utilises this potential responsibly. Let shipping contribute to solving the environmental problems connected with goods transportation.

With continuing research and development focused on environmentally friendly ships and further reductions in emissions, the Swedish Shipowners' Association is helping to strengthen Swedish environmentally friendly shipping and maintain its leading position in the world.

1. The Swedish Shipowners' Association will contribute actively to helping the Swedish shipping industry to continue to develop its position as a world leader in environmentally friendly shipping.
2. The oceans are a unique part of the natural environment, and the shipping industry has a great responsibility to treat and manage them with care.
3. Shipping has the necessary prerequisites to contribute to solving the environmental problems connected with transportation.
4. Shipping is a global industry. The Swedish Shipowners' Association is working actively to influence international shipping bodies and does not hesitate to take the lead in environmental issues.
5. An expanded shipping industry is an important part of the efforts to solve the climatic problems.
6. The Swedish Shipowners' Association is working to achieve further reductions in acidification.
7. Shipping is a safe and resource-efficient transport alternative.
8. The Swedish Shipowners' Association wants to continue to develop environmental labelling and environmental management systems.

# 1. The Swedish Shipowners' Association will contribute actively to helping the Swedish shipping industry to continue to develop its position as a world leader in environmentally friendly shipping.



Swedish shipping leads the world when it comes to implementing environmentally friendly measures. This gives the Swedish shipping companies a competitive edge now when customers are increasingly choosing the most environmentally friendly transportation. There is no conflict between sustainable shipping and profitability. Profiling shipping as an environmentally friendly transport mode is an excellent business concept, which will gain increasing acceptance in the future. The Swedish shipping companies have developed a unique quality and safety approach, with the result that the Swedish merchant fleet leads the world in environmental performance. Sweden leads the way as regards the installation of catalytic converters on ships. More than half the world's ships with catalytic converters installed sail in Swedish waters.

The Swedish Shipowners' Association will promote the development of market mechanisms where the environmental costs are included in the pricing of transport services. This will emphasise the advantages of shipping over other transport modes and benefit environmentally friendly Swedish shipping in relation to other maritime nations. An interesting Swedish initiative, in which the Swedish Shipowners' Association has participated, is environmentally differentiated shipping dues. This means that ships, which reduce their emissions of nitric and sulphur oxides, pay lower dues – a way of internalising the environmental costs. The Swedish Shipowners' Association will promote the introduction of this type of dues on a larger scale.



## **2. The oceans are a unique part of the natural environment, and the shipping industry has a great responsibility to treat and manage them with care.**

The importance of the oceans for the global ecological systems is attracting growing attention. The oceans cover two thirds of the Earth's surface, regulate climates and are essential to all life. The oceans supply us with both food and energy. In addition, they contain more living species than the land masses.

The necessity of safeguarding the marine environment has assumed increasing importance in the environmental debate. The Swedish Shipowners' Association is working to promote the active participation of the shipping industry in safeguarding the environment and contributing to

protecting the oceans and other waterways from environmental pollution.

One important aspect is the reduction of discharges by shipping into the sea. Oil spills are a major problem and here, the industry is in the process of tightening up the regulations designed to reduce the risk of accidents. The largest problem is the regular dumping of oil by operators who do not take their responsibilities seriously. The Swedish Shipowners' Association condemns this criminal practice and demands that it be stopped. Tanker accidents and other spills from ships account for only a quarter of all the oil

discharged into the sea. A number of other sources, particularly industrial discharges, account for more than half of the amount of oil discharged.

The Swedish merchant fleet's quality level means that oil spills from Swedish ships are almost impossible. Today, Swedish ships can hand in all their waste in the ports, which means that their discharges out at sea have been reduced to a minimum. The Swedish Shipowners' Association is working to promote a further reduction of discharges into the sea.

### 3. Shipping has the necessary prerequisites to contribute to solving the environmental problems connected with transportation.

Transportation is vital to world trade and practically all economic activity. All types of transport have an environmental impact in the form of discharges/emissions and changes in the natural and cultural environment. Transportation problems have increasingly become an environmental issue and shipping needs to profile itself as a sustainable transport alternative for the future. In the EU, goods transportation increased 26% in the 1990s. Half of all goods are transported by road with the resulting growing environmental impact, noise and traffic jams. If nothing is done, road transport will continue to expand together with the environmental damage it causes.

Shipping is the most environmentally friendly transport mode if all the different aspects are taken into consideration. Accordingly, one of the EU's goals is to transfer an increasing share of transportation from the roads to shipping. Since ships use the

waterways, infrastructure costs will be minimal. There is a growing realisation at the European level that a capacity ceiling has been reached when it comes to road transport and that it must be the railways and shipping that are expanded in the future. This is a line of

argument pursued not least by the European Commission. The EU is also considering the introduction of so-called fair traffic charges, charges that would be very low for environmentally friendly ships. The Swedish Shipowners' Association will actively promote this.



## 4. Shipping is a global industry.

**The Swedish Shipowners' Association is working actively to influence international shipping bodies and does not hesitate to take the lead in environmental issues.**

The UN agency International Maritime Organisation (IMO), is responsible for drawing up global regulations for the industry. However, it is difficult to lobby for radical environmental regulations in such a forum. The wishes of many different nations have to be balanced and not least the oil industry has a strong influence in IMO. The

Swedish Shipowners' Association, however, intends to lobby both at IMO and in the EU for better environmental regulations for shipping. One question we will continue to pursue within the framework of these international bodies is making the regulations for the sulphur content in bunker oil much more stringent. The maximum limit

needs to be reduced drastically. The Swedish Shipowners' Association will promote the environmental orientation of Swedish shipping, that it be given the possibility to take the lead and safeguard the marine environment and that it is favoured when competing with other less environmentally aware shipping companies.





## 5. An expanded shipping industry is an important part of the efforts to solve the climatic problems.

The problems caused by climatic changes resulting from emissions of carbon dioxide and other greenhouse gases have become the foremost global environmental issue. Swedish shipping will actively contribute to reducing emissions of greenhouse gases. A significant solution to the climate problems is provided by the shipping companies. Emissions of carbon dioxide in shipping are substantially lower than in the case of road transport. Shipping's emissions are also low in comparison with the railways since fossil fuels are used in the production of electricity as well as fuel for the trains themselves. The EU would meet the targets in its

climate policy if shipping were to take over a large part of the transportation by road.

Ships are very energy-efficient and can be operated at an even speed and transport large cargoes.

Shipping accounts for only approx. two per cent of the global carbon dioxide emissions. Unfortunately, shipping was not included in the Kyoto Protocol, but IMO has been given the task of finding ways of reducing emissions of greenhouse gases in the industry.

The Swedish Shipowners' Association is working to further improve on shipping's advantages as regards carbon

dioxide emissions. Greater energy efficiency, more fuel-efficient engines and alternative fuels are measures that could reduce these emissions still further. One challenge, however, is the high-speed vessels, which could result in higher energy consumption and thus increase carbon dioxide emissions.

The Swedish Shipowners' Association will promote the use of alternative fuels in shipping. This is a new field where little has happened, but hydrogen gas, natural gas and fuel cells are well suited to ship operation and are interesting challenges for the future.



## 6. The Swedish Shipowners' Association is working to achieve further reductions in acidification.

Emissions of sulphur and nitric oxides cause increased acidification, which results in, among other things, irreparable damage to forests. Burning oil results in emissions of these substances. These emissions pose a large environmental challenge to shipping companies. Swedish shipping companies have, however, made considerable progress in reducing these emissions. The environmentally differentiated shipping dues, which the Swedish

Shipowners' Association help to launch, are contributing to making it possible for the shipping companies to reduce their emissions of sulphur and nitric oxides. Exhaust emission control and more energy-efficient engines could reduce nitric oxide emissions. The Swedish Shipowners' Association will work to reduce these emissions still further.

Reducing emissions of sulphur oxide is dependent on the sulphur content of the fuel being reduced. A major problem is the high-sulphur bunker oils used as fuel for ships. The oil companies sell their worst petroleum products to the shipping companies, which most often do not have any economically realistic alternatives. The Swedish Shipowners' Association is working to bring about a global ban on these high-sulphur bunker oils.

## 7. Shipping is a safe and resource-efficient transport alternative.

Building infrastructure for transportation requires major investments. Billions are being spent on building bridges, motorways or extending the railway network. In shipping, the infrastructure is largely a product of the natural environment, and is a Swedish natural resource. Using the oceans as a transportation infrastructure is a very efficient method of utilising resources. The expansion of road transport has encroached on the cultural landscape in a large way with more and more land being used for roads. Another negative aspect is the increase in noise level resulting from the growth in the transport sector. The increasing number of commercial aircraft in particular is causing major noise problems. Shipping is in a class of its own as a transport mode when it comes to minimising the negative effects on the cultural landscape and reducing noise levels.

Every year, more than 40,000 people are killed in traffic accidents in Europe. Trucks are involved in a fifth of all fatal car accidents. When goods are transported by sea, there are usually no accidents. The safety level in Swedish shipping is very high. If goods transportation were shifted from the

roads, the traffic environment would improve and traffic jams would diminish dramatically. On the sea, there is sufficient capacity for all types of goods transportation. A modern coastal vessel has a cargo capacity equivalent to about 100 trucks.





## **8. The Swedish Shipowners' Association wants to continue to develop environmental labelling and environmental management systems.**

Environmental management systems have become an increasingly important instrument for companies intending to develop their environmental work. The environmental management system ISO 14001 is an important tool in environmental management at many shipping companies. The Swedish Shipowners' Association is working to

expand and develop the use of ISO 14001.

The Swedish Shipowners' Association also supports the use of environmental labelling in marketing and varying shipping services. It is important to find ways of making it known that Swedish shipping is very environmentally friendly. It is also important

that every effort be made to ensure that the environmental index is formulated as a comparison between different transport alternatives. Accordingly, the shipping companies will develop their environmental reporting routines so as to provide the basic data for these environmental assessments.





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