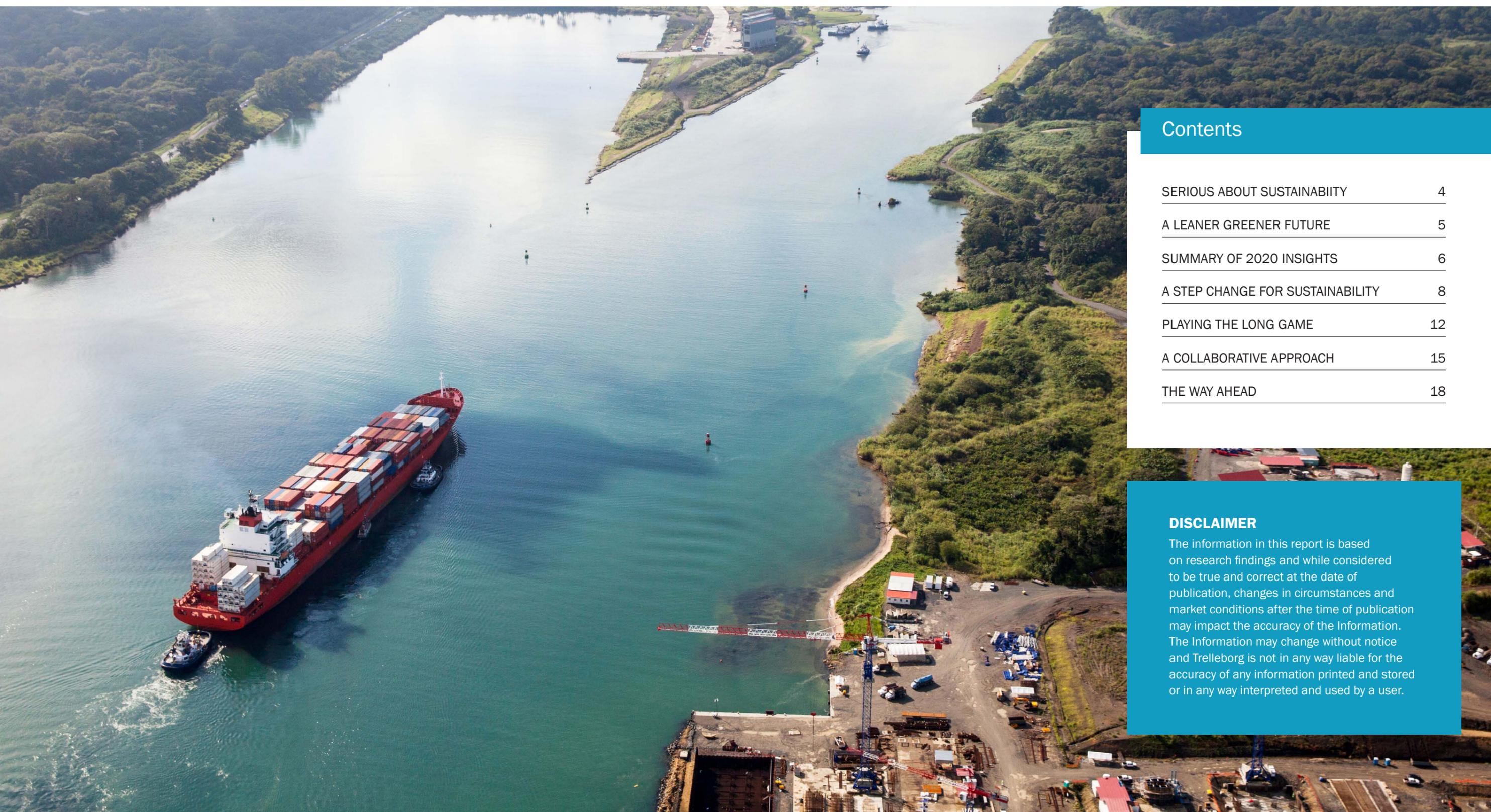


Serious About Sustainability

REVEALING THE MARITIME INDUSTRY'S VIEWS ON SUSTAINABILITY



Contents

SERIOUS ABOUT SUSTAINABILITY	4
A LEANER GREENER FUTURE	5
SUMMARY OF 2020 INSIGHTS	6
A STEP CHANGE FOR SUSTAINABILITY	8
PLAYING THE LONG GAME	12
A COLLABORATIVE APPROACH	15
THE WAY AHEAD	18

DISCLAIMER

The information in this report is based on research findings and while considered to be true and correct at the date of publication, changes in circumstances and market conditions after the time of publication may impact the accuracy of the Information. The Information may change without notice and Trelleborg is not in any way liable for the accuracy of any information printed and stored or in any way interpreted and used by a user.

Serious About Sustainability



The debate around sustainability continues to grow in volume and reach throughout the maritime sector. Initiatives such as the World Ports Sustainability Program and the Environmental Ship Index are gaining traction. Increasing stakeholder expectations and regulations (e.g. IMO 2050) are forcing change on ports and shipping companies. In the longer term, the impact on air quality could bring tougher emissions targets and more rapid regulation.

We are at a pivotal moment. Organizations are propelled to take a long-term strategic approach to sustainability, with a renewed focus on the environment. This new research from Trelleborg Marine and Infrastructure – carried out mid-pandemic – reveals how the maritime sector is responding and provides insights and analysis into the way ahead.

Read the report to find out if sustainability has moved down the industry's priority list or if it remains serious about meeting its goals. Discover the key business drivers for sustainability and which actions are having the most immediate impact, as well as the pivotal role partnerships are playing in creating a more sustainable value chain.

ABOUT THE RESEARCH

In collaboration with GreenPort, we developed quantitative and qualitative research across 91 organizations across the world during 2020. Respondents were from a range of maritime roles and businesses, including port operators and owners, engineers, tug operators, maritime pilots and consultants.

A Leaner Greener Future

Foreword by Anne-Marie Causer, Editor at GreenPort

As a publication that works toward bringing port stakeholders together on the environmental front, we are delighted to introduce this research.

This whitepaper collates feedback from the wider marine industry and outlines where we stand in terms of sustainability, from the mouths of ports, engineers, pilots, tug operators and all stakeholders in between.

The industry has been lacking this type of quantitative and qualitative research that tells us how sustainability is prioritized within the industry, and how much of an effect the COVID-19 pandemic has had on it. That's where this whitepaper comes in.

No area of the marine business has been immune from the fall out of the pandemic, and ports and their stakeholders had no choice but to get leaner and smarter in 2020.

Social distancing and work-from-home instructions saw more port operations go digital – from abandoning some of the paper exercises to move cargo about – to conducting remote training and investing in terminal operating systems.

The pandemic also gave way to a renewed focus on the environment as the world went into lockdown – with cleaner air, lower emissions and positive effects on the local ecosystems being realized.

As a result, our industry has been able to factor in some of the positive lessons learned into its wider sustainability strategies going forward.

The environment is getting ever higher on the business agenda – and with legislation and reputation as driving forces for action – you won't be able to do business in the future without taking the environment into account.

Effective supply chain management is constantly being called into question as consumers demand transparency, CO₂ neutrality and cost efficiency.

GreenPort was the launch platform for the ESPO Environmental Report for 2020, which demonstrated to us that the industry takes its environmental objectives very seriously. It's clear that climate change and environmental targets are largely considered during day-to-day operations and when developing new infrastructure projects.

We need to be ready for the transition to more efficient and sustainable infrastructure in the future, for both port and vessel, as sustainability measures look set to accelerate significantly.

This report is a useful collaborative tool to benchmark where the industry is currently at, and where more work is needed.

Use it to help shape your own environmental goals and let's move forward together.

GREENPORT

We exist to help port operators balance environmental challenges with economic demands. Search for us on social [@greenportbiz](#) and join in the conversation on [LinkedIn](#).

Summary of 2020 Insights



COMMITMENT TO SUSTAINABILITY IS STRONG, DESPITE COVID-19, WITH MEASURES BEING WIDELY ADOPTED ACROSS COMMERCIAL OPERATIONS.

- | **82%** of respondents surveyed ranked sustainability as very important to their business, despite the economic conditions of 2020
- | In fact, **45%** said COVID-19 will bring an increased focus on sustainability within their organization
- | **Sustainability initiatives**, in areas such as procurement, are being widely implemented
- | **United Nations Social Development Goal 9** (UN SDG) which focuses on industry, innovation and infrastructure, was ranked top for performance target setting

SUSTAINABILITY IS SEEN AS KEY TO LONG-TERM VALUE CREATION, BUT REPUTATION RATHER THAN REGULATION IS DRIVING CHANGE.



- | Making sustainability integral to the business is the preferred strategic approach, **prioritized by 81%**
- | **Long-term value creation** is more important than short-term performance when it comes to sustainability
- | **Reputation and business responsibility** are the key motivating factors, ahead of regulation and risk
- | Market growth opportunities and employee engagement also emerge as drivers of change



COLLABORATION WITH STAKEHOLDERS AND SUPPLIERS ARE WIDELY PRIORITIZED, BUT MORE EFFECTIVE SUPPLY CHAIN MANAGEMENT IS NEEDED.

- | **Partnering and collaborating with stakeholders** and suppliers across the value chain is critical to achieving sustainability goals for **62%** of the respondents
- | **Tier 1 suppliers and product/service use** are the top two areas of focus to unlock sustainability benefits in the immediate term
- | **More effective supply chain management** is needed to improve sustainability efforts, especially as customers continue to drive sustainability up the value chain



A Step Change for Sustainability

Organizations are not simply talking the talk about the increasing importance of sustainability, but actively introducing process and product changes to reflect this.

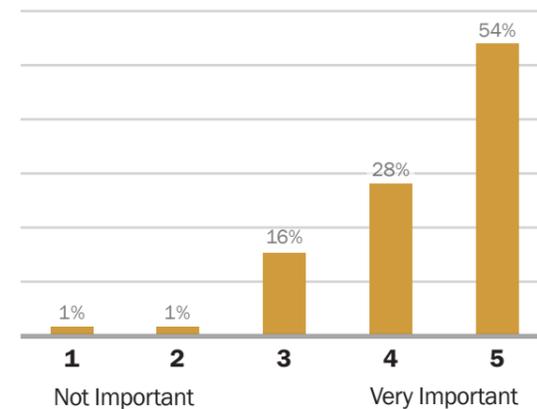
Getting serious

The maritime sector is serious about its support for sustainability with over half of respondents surveyed ranking it as very important to their business. This commitment has increased significantly over the last five years, reflecting the wider global movement around environmental issues and legislative changes such as the 2020 deadline for the introduction of the IMO sulfur cap.

In terms of setting sustainability objectives, currently just over a third of respondents are using or intend to use the UN SDGs as supported by the World Ports Sustainability Program (WPSP). It will be interesting to see if the combination of current regulatory targets and voluntary initiatives generates enough momentum to make real progress in areas such as air quality, climate change and energy efficiency. Or, if alongside further education, more stringent regulation is needed.

37% of organizations are using United Nations Social Development Goals to set sustainability targets

The largest percentage of respondents rated the level of importance their business places on sustainability as very important (4 & 5 on the scale).



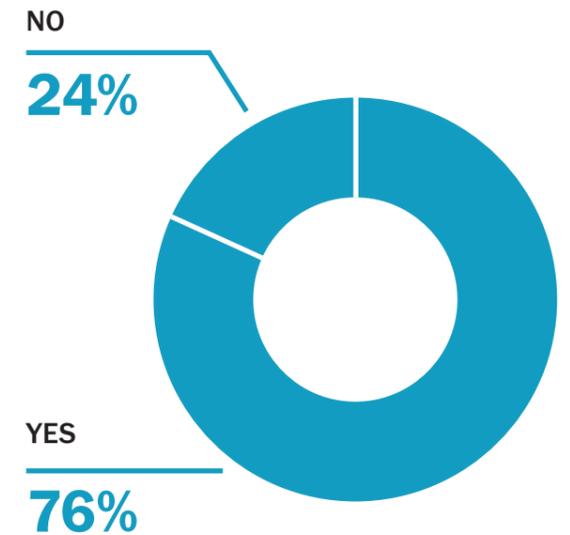
Beyond greenwashing

Commitment to sustainability is tangible and goes beyond objective setting. There is a positive mindset within the industry and recognition that sustainability is an opportunity. Around three quarters of maritime firms questioned had introduced new sustainability initiatives – ranging from developing sustainable products and designing a longer service life for engineering devices, to appointing a dedicated sustainability practice lead and sustainability becoming a critical factor in bid evaluation. Through measures such as these, it is apparent that sustainability is increasingly linked directly to operational efficiency and business success.

Sustainability is increasingly linked to operational efficiency and business success

However, there is still some way to go. The 24% of respondents who have not adopted or introduced new approaches in relation to sustainability could find themselves at a commercial disadvantage if they do not adapt. As environmental and sustainability criteria are increasingly incorporated into procurement and commercial processes, customer-supplier relationships throughout the value chain – and therefore the ability to secure business – will be impacted.

76% of our respondents introduced new sustainability initiatives in the last three years. Has your business introduced any initiatives in relation to sustainability?



Infrastructure matters

In our survey, the most relevant UN SDG for the maritime sector was industry, innovation and infrastructure (UN SDG 9), which also supports the findings of the WPSP's analysis of SDG priorities of ports within its 120 portfolio projects. Developing quality, reliable and resilient infrastructure, both through upgrades and retrofits, is seen as a practical and achievable way to support sustainability goals.

According to the ESPO Environmental Report for 2020, seven out of 10 European ports take climate change into account when developing new infrastructure projects, while in terms of day-to-day operations around a third are planning to introduce environmentally differentiated port dues in the next two years. The incentive for shipping lines to operate cleaner vessels and qualify to register on the ESI (Environmental Ship Index) is clear and the transition to more efficient and sustainable infrastructure, for both port and vessel, could accelerate significantly.

Ranked highest



INDUSTRY, INNOVATION AND INFRASTRUCTURE



CLIMATE ACTION



RESPONSIBLE CONSUMPTION AND PRODUCTION

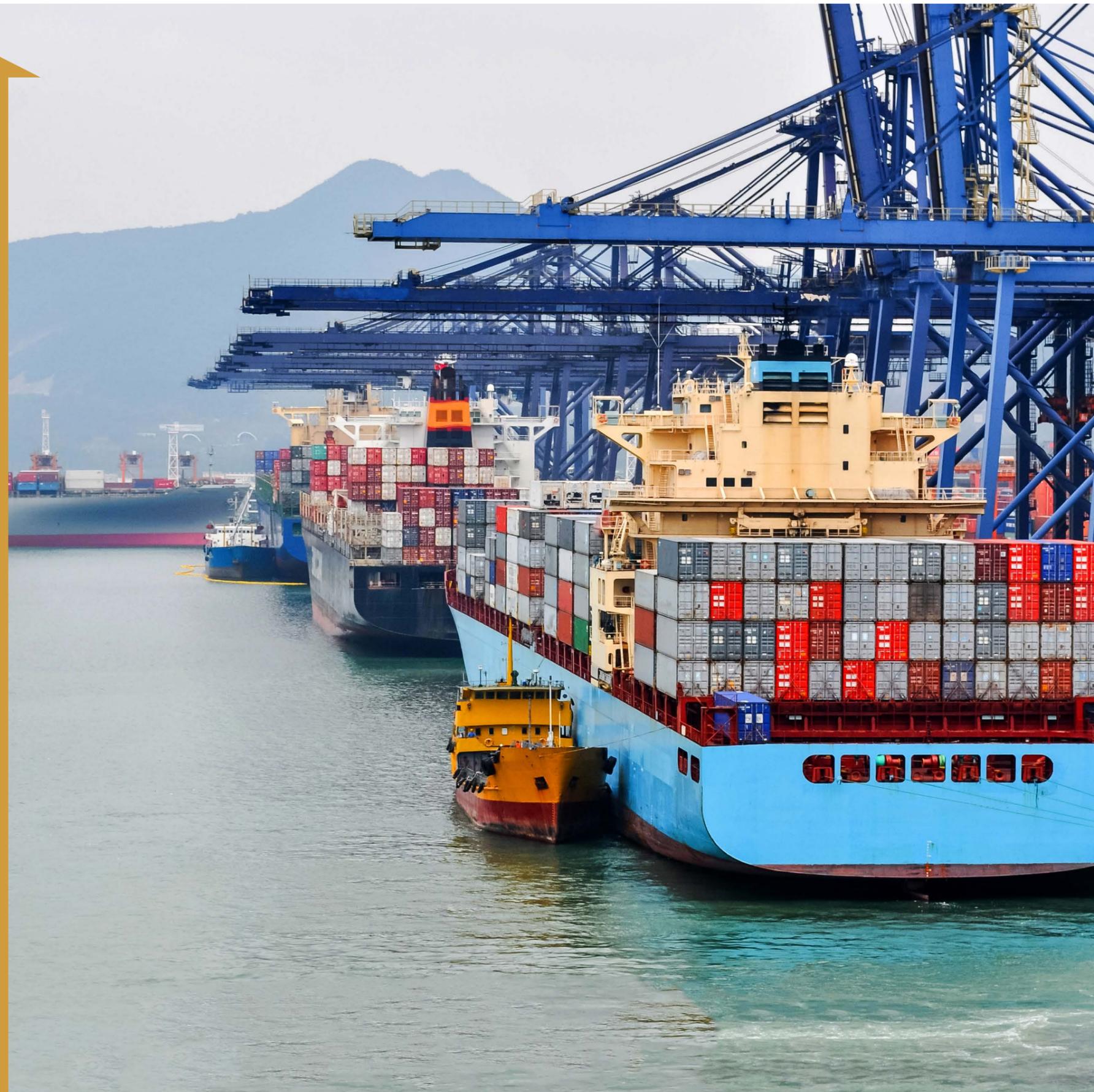


AFFORDABLE AND CLEAN ENERGY



SUSTAINABLE CITIES AND COMMUNITIES

Ranked lowest



Playing the Long Game

Making sustainability integral to the business and putting long-term value creation ahead of short-term performance are the main priorities to address global sustainability challenges in the marine industry. In terms of motivational drivers, reputation and business responsibility outweigh regulation and growth opportunities.

A sustainability first approach

Putting sustainability at the heart of operations is identified as the critical success factor in meeting global challenges and opportunities. There is a certainty about sustainability and a clarity that making it integral to the business strategy is the way ahead. More than four out of five respondents ranked this as a priority.

There is recognition of the need to prioritize long-term value creation over short-term performance if sustainability issues are to be successfully addressed. This is encouraging and demonstrates a progressive mindset within the industry. Even more encouragingly, despite the global pandemic of 2020, sustainability is perceived as critical to the long-term resilience of the industry with 45% saying the effects of COVID-19 will increase their focus in this area. The message is clear – sustainability is fast becoming integral to business operations across the maritime sector and can no longer be considered an afterthought.

To address sustainability challenges, organizations want to:

81% Make sustainability integral to the business

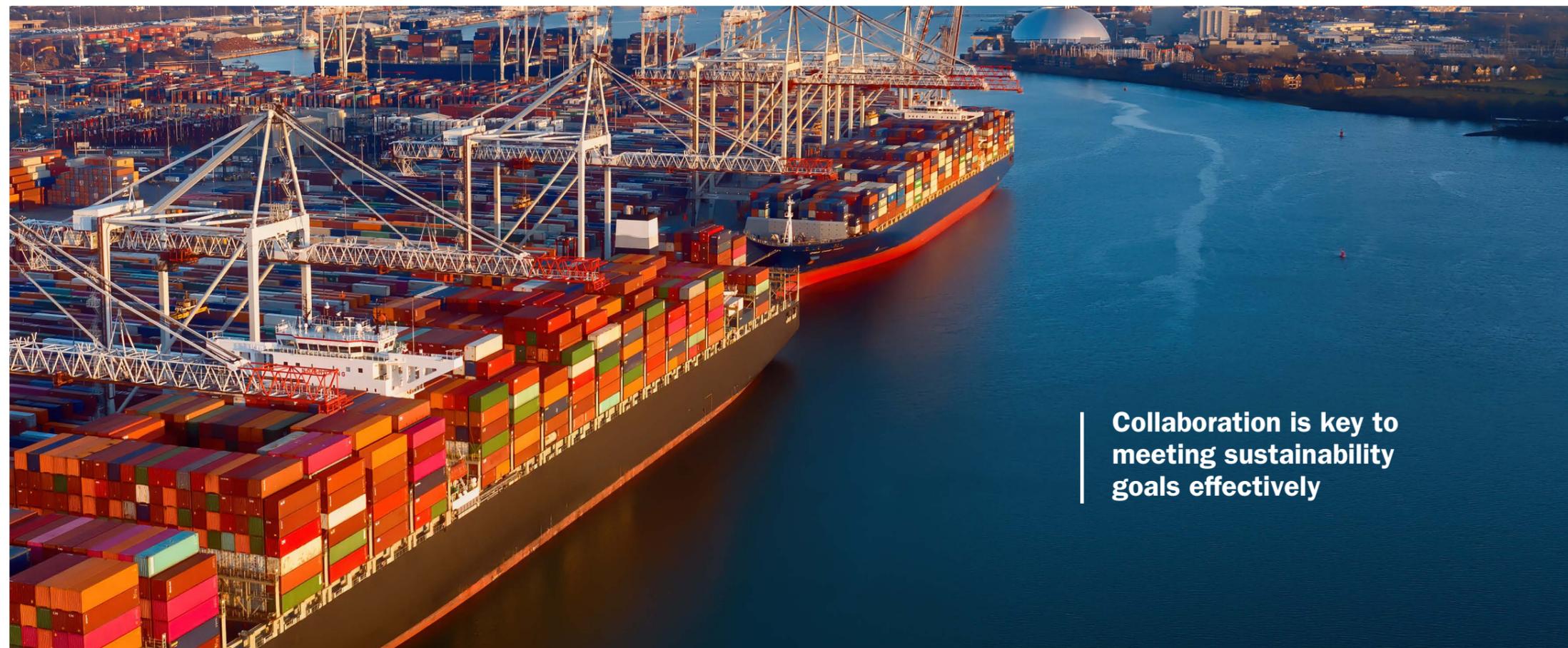
62% Collaborate with stakeholders/partners across the value chain

56% Emphasize long-term value creation over short-term performance

Partnering with stakeholders

Going it alone isn't an option. Collaborating with stakeholders across the value chain was seen as key to respondents in meeting sustainability goals effectively. By creating partnerships and working with stakeholders and suppliers, product and infrastructure solutions are developed that meet specific sustainability needs. This means targeted investment and focused innovation, which could lead to the production and adoption of cleaner products, technologies and processes that are fit for purpose more rapidly.

This can be seen in how the IMO 2020 sulfur requirements are impacting ports as well as shipping lines. Port operators are investing in the provision of shoreside electrical power to enable shipping lines to power their vessels more sustainably while at berth – shutting engines down reduces fuel consumption for the shipping lines but also improves air quality for the port. At the same time, smart technology is being adopted that helps to optimize port operations – such as automated docking and mooring solutions that improve berthing efficiency and throughput.



Collaboration is key to meeting sustainability goals effectively

Drivers for change

The global debate has raised the bar for accountability around environmental measures and this is reflected in Trelleborg Marine and Infrastructure's findings. Reputation emerged as the number one driver for sustainability efforts, followed by a strong perception that sustainability is every organization's responsibility and 'it's the right thing to do.' This demonstrates how our sector is changing. While legislation inevitably plays its part in leveraging change, there is now momentum in the industry to keep ahead of minimum regulatory requirements and to operate and adopt best practice sustainability requirements. The negative impact on corporate reputation and the risk of being called out over non-sustainable practices are seen as more influential drivers than regulation and operational risks.

Sustainability measures must still be economically viable in the long term, and drivers such as market growth opportunities and product and process innovation ranked highly. Similarly, the benefits for increased employee engagement and retention were seen as a key motivating factor, expectations are changing and there is a growing awareness among workers of their organization's environmental footprint.

Top three drivers for sustainability

IMPROVE BUSINESS REPUTATION

50%



BUSINESS RESPONSIBILITY & INTEGRITY

40%



RESPONDING TO REGULATORY REQUIREMENTS

38%



A Collaborative Approach

Sustainability efforts are focused on product and service use and working with tier 1 suppliers in the immediate term. Improving the effectiveness of supply chain management is seen as critical in unlocking sustainability benefits to meet customers' growing interest in this area.

Unlocking sustainability together

There is clear traction in the industry to adopt sustainability measures throughout the value chain. A long-term strategic approach is widely embedded, but alongside this, maritime organizations have identified areas of focus that will make a positive impact in the short term.

Partnering and collaborating with tier 1 suppliers is seen as key. The industry is looking to its supply chains for support and to provide solutions to sustainability issues that enable them to meet their environmental goals. At the same time, this should also serve as a wake-up call to suppliers. As customers consider the sustainability of their suppliers more often, credentials and expertise in this area will become pivotal to the ongoing success of the relationship.

Quality counts

Product and service use is identified as a priority to unlock immediate sustainability gains. Expect customers to increasingly challenge suppliers to demonstrate the specific contribution of their products and services to environmental goals as they in turn look to improve the communication of sustainability benefits to their own customers. As the need to demonstrate sustainability at every touch point along the value chain grows, an approach of designing in sustainability from the outset will become the norm, with greater recognition of the environmental, reputational and financial benefits.

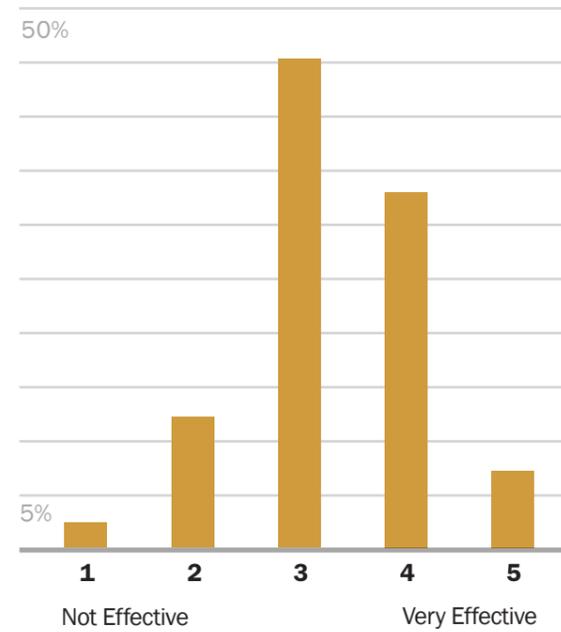
Extending a product's lifetime has a direct impact on sustainability

Product quality has a direct correlation on service use and lifetime. Developing quality, reliable and sustainable infrastructure – both within the port environment and on-vessel – enhances its longevity which has a positive impact on sustainability. This could be through increased uptime leading to better operational effectiveness. Within the port environment, for example, improved vessel throughput reduces idling, optimizes fuel consumption, reduces emissions and supports better air quality. In terms of product durability, a quality product that offers a longer, fully operational lifespan supports operational efficiencies by functioning optimally and also reduces replacement and recycling requirements.

Supply chain management

The maritime sector is self-aware and recognizes where it needs to focus to support sustainability. While partnering and collaboration with suppliers and stakeholders was identified as a critical path to success, there was an acknowledgement from the majority of respondents of the need to do better when it comes to managing the supply chain. This shows an industry that is able to reflect on its successes and shortcomings and to use these to build a stronger way ahead.

45.5% of respondents believe their supply chain management efforts are moderately effective (three out of five) when it comes to addressing critical sustainability issues.



The Way Ahead

These are encouraging findings. Commitment to sustainability is strong, with a renewed focus on the environment amidst the global pandemic. And it goes beyond words, with active change throughout the value chain that will make a tangible difference to our environment.

There is now real momentum across the industry with a long-term strategic approach toward sustainability. Being good for the planet is now seen as being good for business.

The actions taken to achieve this are wide-ranging. At an individual level, organizations are making sustainability a requirement in bid evaluations, more resilient products are being designed and innovations in technology are driving change. At an industry level, green shipping incentives, sustainability programs, financing and renewable infrastructure are providing the opportunity, means and support to help our sector become more sustainable. Together these reflect a wider understanding that, while sustainability is about doing the right thing, it is also about being competitive and commercially successful.

Inevitably, the drivers for change are a complex mix. Reputation was key in the research findings and ranked ahead of regulation – a legacy of our sector’s perceived slow start in this area, perhaps? Today, we are bolder, more confident and more aware – this seems to be translating into an open mindset where we challenge ourselves to go beyond regulatory requirements.

It perhaps isn’t surprising that taking a collaborative approach and working with suppliers were seen as critical to success. Collaboration and strategic partnerships have long been a strength in our industry and this alignment stands us in good stead as we work together to meet our sustainability goals. The UN SDGs that are most widely adopted reflect Trelleborg’s priorities too. We are committed to supporting five of the United Nation’s goals within our Marine and Infrastructure business.

Our emphasis on engineering application, design expertise and materials combine to deliver high-quality products with a longer lifetime. This aligns with UN SDG 9 on industry, innovation and infrastructure through the creation of more resilient infrastructure. At a group level we are also challenging ourselves with a target of a 50% reduction in direct and indirect CO₂ emissions related to sales by 2025 and a longer-term vision of being carbon neutral by 2035.

What emerges from this report is how, as a sector, we are serious about sustainability. We are shaping the post-2020 landscape into a more sustainable one where together we protect the essential.

To find out how Trelleborg Marine and Infrastructure can support you with resilient port and marine infrastructure, please get in touch [here](#).





TRELLEBORG

Trelleborg is a world leader in engineered polymer solutions that seal, damp and protect critical applications in demanding environments. Its innovative solutions accelerate performance for customers in a sustainable way.

WWW.TRELLEBORG.COM/MARINEANDINFRASTRUCTURE



facebook: [TrelleborgMarineandInfrastructure](https://www.facebook.com/TrelleborgMarineandInfrastructure)
twitter: [@TrelleborgMI](https://twitter.com/TrelleborgMI)
[youtube.com/c/TrelleborgMarineInfrastructure](https://www.youtube.com/c/TrelleborgMarineInfrastructure)
[flickr.com/people/marineandinfrastructure](https://www.flickr.com/people/marineandinfrastructure)
[linkedin.com/trelleborg-marine-and-infrastructure](https://www.linkedin.com/trelleborg-marine-and-infrastructure)
TheSmarterApproachBlog.trelleborg.com