


FROM PLEDGES TO PRACTICE

Anchoring Safety, Sustainability,
and Crew Welfare in Vessel Selection

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The maritime industry is under growing pressure to show its commitment to the three pillars of ESG: safety, sustainability, and crew welfare. Once a buzzword, ESG now shapes chartering decisions, investment flows, and compliance across global shipping.



Foreword

Steen Lund

Chief Executive Officer, RightShip

At RightShip, our vision has always been clear - a maritime industry where every journey is safe, every decision is sustainable, and every seafarer returns home unharmed. Achieving this vision requires more than technology or data; it demands collaboration, trust, and a shared commitment to progress across the entire maritime supply chain.

For too long, the industry has operated within silos. Standards vary, data lives in separate systems, and progress can feel uneven. Yet the potential for change has never been greater.

Collectively, we have the tools to transform how decisions are made - through trusted, transparent data; through the power of technology and artificial intelligence; and through a willingness to collaborate beyond traditional boundaries.

To move forward, we must focus on harmonising standards and closing existing gaps - raising the bar together rather than in isolation. Shared benchmarks and interoperable systems will enable the industry to measure and manage risk more effectively. With greater transparency and accessible data, decision-makers can act with confidence, knowing their choices are both commercially sound and socially responsible.

At the same time, AI and digital platforms are transforming how we work, turning complex data into actionable insight in real time. When guided by a common framework and a culture of shared accountability, these technologies become powerful catalysts for safer, cleaner, and fairer operations across the maritime sector.

Our intention is to spark fresh conversations across commercial, operational, and ethical boundaries - encouraging the industry to think differently, collaborate more openly, and take collective steps toward zero harm.

But technology alone is not enough. Policy, regulation, and public recognition must also play their part, creating the conditions for responsible behaviour to become the norm, not the exception.

This is not a challenge that any one company or organisation can solve alone. True progress will come only through collaboration, when ship owners, ship managers, charterers, terminals, regulators, and technology providers come together to build a unified standard for what "good" looks like. RightShip's role, alongside many partners, is to help connect those efforts, to make data trusted and usable, and to enable collaboration where it matters most.

The report you are about to read explores how we can anchor safety, sustainability, and crew welfare at the heart of vessel selection and, just as importantly, how shared intent can be transformed into meaningful action. Drawing on insights from industry leaders and in-depth interviews, Thetius has captured both the challenges we face and the opportunities to advance together.

Our intention is to spark fresh conversations across commercial, operational, and ethical boundaries - encouraging the industry to think differently, collaborate more openly, and take collective steps toward zero harm. If we inspire alignment and shared purpose on that journey, then the report will have achieved its goal.

Executive Summary

The maritime industry faces growing pressure to translate Environmental, Social, and Governance (ESG) commitments into concrete action. This report, produced by Thetius and commissioned by RightShip, explores the persistent gap between industry pledges on safety, sustainability, and crew welfare, and the realities of day-to-day commercial decision-making.

While 73% of shipowners report exceeding baseline compliance in safety, 60% in sustainability, and 67% in crew welfare, only 27% of charterers offer improved terms for these efforts. Tight margins, short deadlines, and limited transparency mean that ESG factors are often overshadowed by cost and availability, even as OEMs increasingly provide the solutions that shipowners are being asked to invest in. Safety acts as a minimum threshold, but sustainability and welfare performance are rarely decisive in vessel selection.

Through a pulse survey and interviews with industry leaders, the research reveals that fragmented standards, inconsistent data, and weak incentives are key barriers to progress. Shipowners who invest in higher standards often find their efforts invisible, while charterers lack reliable mechanisms to assess and reward ESG leadership.

To bridge this divide, the report proposes a framework for aligning best practice with commercial value. It calls for financial incentives and long-term contracts that reward above-baseline performance, standardised ESG benchmarks across vessel types, trusted, decision-grade data integrated into chartering workflows, and public recognition to make leadership visible.

Closing the ESG gap requires collaboration across the value chain, linking safety, sustainability, and crew welfare not only to ethics but also to commercial advantage, ensuring a safer, fairer, and more resilient maritime future.

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Introduction

The maritime industry faces growing pressure to prove its commitment to safety, sustainability, and crew welfare: the three pillars of Environmental, Social and Governance (ESG). Once a buzzword, ESG now shapes chartering decisions, investment flows, and compliance across global shipping. It spans environmental goals such as decarbonisation and biodiversity protection, social factors like seafarer welfare, working conditions and human rights, and governance, which anchors ethics, transparency, and compliance.

Interdependence between the three pillars is crucial. Environmental progress depends on effective governance and a motivated workforce, just as social responsibility cannot thrive without sustainable operations. Shipowners and operators now face growing demands from stakeholders to disclose ESG performance. This trend is reshaping the industry, driving supply chain accountability, and spurring new business strategies.¹

Recent data shows that shipowners are investing in safer, cleaner, and better-managed vessels. RightShip's Zero Harm Innovation Partners (ZHIP) Programme, which is an initiative aiming to encourage the development of new technologies and solutions towards a zero-harm maritime industry, indicates that more and more vessels are adopting innovative solutions. OEMs are both investing in and developing new solutions for owners. As of October

2025, 5,245 vessels have adopted innovative mooring solutions and 2,134 vessels have adopted low-friction anti-fouling coatings. In addition, 5,900 vessels have adopted crew training solutions and 5,188 vessels have implemented mental health initiatives. These figures represent vessels operated by recognised partners of the ZHIP Programme. While other vessels across the global fleet may have adopted alternative innovations, the figures cited here reflect those solutions that have undergone the rigorous assessment and validation process of the ZHIP framework.²

But are these investments being recognised and rewarded in the right ways? In a landscape shaped by tight margins and fast-moving commercial demands, do safety and sustainability receive the priority they deserve, or does commercial pressure still take precedence?

¹ BCG (Oct, 2023) Bringing ESG Accountability to Global Supply Chains

² RightShip (Oct, 2025) RightShip Zero Harm Innovation Partners Programme



This report, produced by Thetius and commissioned by RightShip, finds that despite 73% of shipowners going above baseline compliance in safety, 60% in sustainability, and 67% in crew welfare, only 27% of charterers report offering better terms to owners that exceed these baselines. Cost competitiveness often drives final decisions. Tight margins, short lead times, and market volatility force charterers to select vessels offering lower day rates or better availability, overshadowing their sustainability commitments.

This research examines the gap between industry expectations and actual practices in the maritime sector, and why it persists. We conducted a pulse check of maritime professionals and in-depth interviews to assess whether companies that adopt higher standards are genuinely recognised and rewarded by the market.

This report answers the following questions and provides insights, recommendations, and practical steps to help the industry align risk management with its commitments to safety, sustainability, and social responsibility. What does ESG look like today?

- ▶ Is there a misalignment between shipowners and charterers on safety, sustainability, and crew welfare?
- ▶ What factors affect how a shipowner or manager is rewarded for their investment in safety, sustainability and crew welfare?
- ▶ How can the industry bridge the gap between best practices and commercial decision-making?

Despite...

73% of shipowners going above baseline compliance in safety, 60% in sustainability, and 67% in crew welfare, only...

27% of charterers report offering better terms to owners that exceed these baselines.

Ultimately, vessel selection reflects a complex interplay of regulatory compliance, environmental responsibility, and commercial viability in a competitive global market.



The Pillars of Modern Risk Management

Safety, sustainability, and crew welfare are the pillars of modern risk management and ESG. They strongly influence vessel selection and risk management decisions.

Safety

Safety standards are a cornerstone of maritime risk management, but their application can vary widely by vessel type and region. Some segments, such as tankers must adhere to rigorous safety regimes and face enhanced scrutiny through the Oil Companies International Marine Forum's Ship Inspection Report Programme (OCIMF SIRE) and vetting from oil majors. Tankers typically receive inspections during cargo operations and at least every six months.³ A 2024 study by Allianz highlights that between 2014 and 2023, there were a total of 12 tanker vessel losses (over 100 GT), which is substantially lower than the 291 reported for cargo ships.⁴

However, the same strict standards do not apply to bulk carriers or general cargo ships, which often face lower levels of scrutiny and are more likely to operate under Flags of Convenience (FoC).

In the dry bulk market, Port State Control (PSC) detention rates are four times higher than those of tankers, and fatality rates are much higher, with a 0.42% fatality ratio compared with 0.14% of LNG and LPG vessels.⁵

RightShip data highlights a significant number of reported safety incidents recorded in 2024, though the true figures are likely higher due to under reporting.

Incidents: **5,985**

Serious Incidents: **1,387**

Fatalities: **518**

Assuming an average day rate of \$15,000, RightShip data shows that with approximately 12,540 days were lost to detention across all vessels in 2024, the estimated value destruction could exceed \$188 million. Safety risks also tend to increase on a vessel after it exceeds 10 years.⁶

This disparity can allow vessels with subpar safety or crew conditions to remain competitive simply because they meet the minimum regulatory thresholds.

³ Grbić, L et al., (Jun, 2018) SIRE Inspections on oil tankers

⁴ Allianz Commercial (2024) Safety and Shipping Review 2024. Data source: Lloyd's List Intelligence Casualty Statistics, P.11

⁵ Splash247 (Oct, 2024) INTERCARGO asks RightShip to rethink new age limit for bulk carrier vetting inspections

⁶ RightShip (Dec, 2024) Revised RightShip Inspection Age Trigger: What It Means for Owners, Managers, and Charterers



This gap is exacerbated by regional inconsistencies. The International Maritime Organization (IMO) has a number of safety conventions such as SOLAS or the ISM Code that apply globally, but PSC regimes enforce them unevenly.

In Europe and North America, regions are governed by the Paris Memorandum of Understanding (MoU) or United States Coast Guard (USCG), which enforce compliance through regular PSC inspections. This means that substandard vessels will be detained. In contrast, enforcement can be inconsistent across some countries in Asia and Africa. While some jurisdictions like Singapore or Japan have high standards, others often face challenges due to resource limitations or weaker regulatory oversight.

These discrepancies can lead to differences in inspection practices, resources, and priorities among member states.⁷ Ultimately, shipowners may avoid ports with tougher enforcement if they know their vessels wouldn't pass inspections easily.

The International Maritime Organization (IMO) has a number of safety conventions such as SOLAS or the ISM Code that apply globally, but PSC regimes enforce them unevenly.

As charterers and insurers increasingly value operational reliability and ESG performance, they must remain vigilant. A vessel's safety track record and flag reputation are critical as a poor PSC history or a black-listed flag can result in delays, higher insurance premiums, or even loss of business.

It is also important to note that PSC is not homogeneous. Some countries provide favourable PSC outcomes to certain flagged vessels, while being inconsistently critical of others. Global regulatory oversight is missing.

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7 Lexology (Oct, 2024) Analysis of the Paris and Tokyo Memoranda of Understanding (MoUs) on Port State Control

Sustainability

Environmental sustainability is a major topic on all maritime stakeholders' agendas today. Regulatory pressure driven through policy initiatives means that shipowners and charterers must consider their environmental credentials.

Regulatory drivers are shaping industry behaviour

Environmental sustainability considerations have evolved from being a reputational add-on to becoming a structural cost driver for shipping. Greenhouse gas (GHG) emissions and air quality remain in the spotlight. However, wider environmental issues such as biofouling, at-berth emissions (AFIR), the 2025 concentrated inspection campaign (CIC) on ballast water management, and the potential strengthening of scrubber discharge regulations also demand attention.

Two regulatory pillars currently dominate the discussion of GHG emissions action and economics in maritime transport:

- 1. The EU's Fit For 55 (FF55)** package combines the EU Emissions Trading System (absolute emissions) and Fuel EU Maritime (emissions intensity).
- 2. The IMO's forthcoming global fuel standard** (intensity) and pricing mechanism under its Net-Zero Framework.

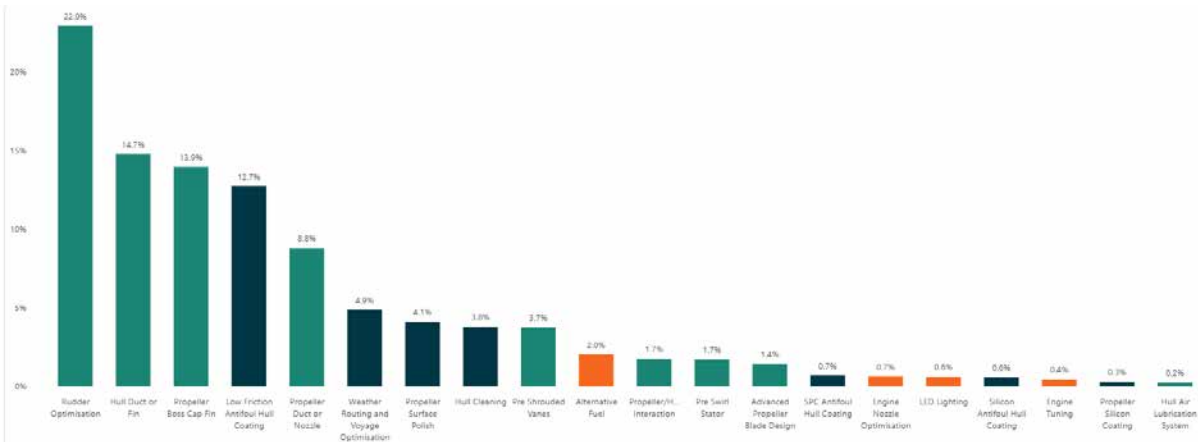
These sit alongside existing short-term IMO measures, including the design-based Energy Efficiency Existing Ship Index (EEXI), Energy Efficiency Design Index (EEDI), and the operational-based Carbon Intensity Indicator (CII), as well as other regional schemes such as the California Air Resources Board (CARB) At-Berth Emissions requirements.

Elsewhere, the IMO has focus areas such as biofouling and transfer of invasive species, with more robust regional regulations already in force such as New Zealand, Australia, and recently Brazil. Reduced hull fouling has the additional benefits of minimising hydrodynamic drag and underwater radiated noise (URN), directly linking to fuel, emissions and cost reductions. Port access remains critical for charterers, who are increasingly focused on hull condition and the timing of recent hull cleaning and propeller polishing to ensure they are able to meet port state requirements.



ESD Insights Report

The most common vessel energy saving enhancements according to RightShip data



What does current data show?

RightShip's vessel verification data for the GHG Rating system shows the effects of the IMO's short-term emissions regulations.

In 2012, RightShip introduced the design efficiency-based GHG Rating (A-E) to support supply chain decarbonisation and drive the uptake of energy saving technologies across the global fleet, drawing on verified data submitted by vessel operators. An analysis of 7,000 bulk carriers in service shows that the most common energy-saving devices are hydrodynamic enhancements such as rudder optimisation, hull ducts and fins, and propeller boss cap fins.⁸

Air lubrication, wind-assisted propulsion, and advanced low-friction/antifouling hull coatings are increasingly being adopted, although they remain more niche technologies compared to mainstream hydrodynamic improvements. The entry into force of the 2023 EEXI regulation has also driven a marked increase in engine power limitation (EPL) and shaft power limitation, which may have contributed to reduced near-term investment in other ESDs.

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The CII, which measures a ship's energy efficiency in grams of CO₂ emitted per cargo-carrying capacity and nautical mile,⁹ is already influencing commercial behaviour. Charterers increasingly favour vessels with stronger environmental performance, and many time-charter contracts now include CII clauses that allocate responsibility for maintaining a certain rating during the charter.¹⁰ Although the regulation has faced criticism for weak enforcement, RightShip data shows that shipowners are responding. Many are developing SEEMP Part III plans, which will need to be actioned, to improve D- and E-rated vessels. This is important as a plan does not necessarily mean an outcome. The problem with CII is that it has no real enforcement powers so vessels can stay E/D rated with no impact.

⁸ 2025 data from RightShip

⁹ DNV (accessed Jul, 2024) CII - Carbon Intensity Indicator

¹⁰ BIMCO (Nov, 2022) Under the lens - BIMCO's CII clause for time charterparties

The EU ETS places a direct carbon price on voyages connected to the European Economic Area. Its phased rollout increases coverage from 40% of 2024 emissions (payable in 2025) to 70% in 2026 and 100% from 2027. From 2026, the scheme will also cover methane and nitrous oxide (28 and 228 times more potent than CO₂, respectively), raising compliance costs significantly. These costs are expected to influence vessel selection across segments and fuel types.

While early penalties are modest compared to ETS costs, projections indicate that FuelEU compliance costs could surpass ETS costs after 2035 if fleets fail to decarbonise.

The financial implications

The financial implications of these policy initiatives are substantial. With EU Allowance (EUA) prices fluctuating between €70 and €100 per tonne of CO₂ in 2025 and analysts projecting levels of €130-200 by 2030, the cost burden will escalate as coverage rises and additional gases are priced. For a mid-sized vessel, ETS costs can already run into millions annually. By 2026, when 70% of emissions are in scope and CH₄/N₂O are included, the effective cost per voyage could increase by 30-40% compared to 2025. Studies suggest that if EUA prices approach €200, ETS compliance could add more than €2 billion annually to the tanker segment alone by 2030.^{11 12}

The FuelEU Maritime regulation within FF55 adds a parallel obligation from January 2025, requiring ships over 5,000 GT calling at EU ports to reduce the GHG intensity of their energy use on a well-to-wake basis by 2% initially, tightening to 80% by 2050. Additionally, the EU's Alternative Fuels Infrastructure Regulation (AFIR) mandates onshore power use for certain ship types from 2030. Compliance options include switching to low- or zero-carbon fuels, pooling performance across fleets, or paying penalties that escalate over time. While early penalties are modest compared to ETS costs, projections indicate that FuelEU compliance costs could surpass ETS costs after 2035 if fleets fail to decarbonise.^{13,14}

In May 2025, the IMO's Marine Environment Protection Committee (MEPC) approved a net-zero framework, which includes a new fuel standard for ships and a global pricing mechanism for emissions.¹⁵ The framework covers a mandatory fuel intensity standard and a two-tier pricing system, with charges of \$100 per tonne of CO₂-equivalent for emissions above a base target and \$380 per tonne for emissions above a stricter threshold.

Although adoption was anticipated for October 2025, the framework's implementation has been pushed back by one year. This delay creates further uncertainty for stakeholders on both supply and demand side of cleaner fuels regarding investment decisions. With the business case still unclear, many shipowners are likely to defer newbuild or retrofit commitments.

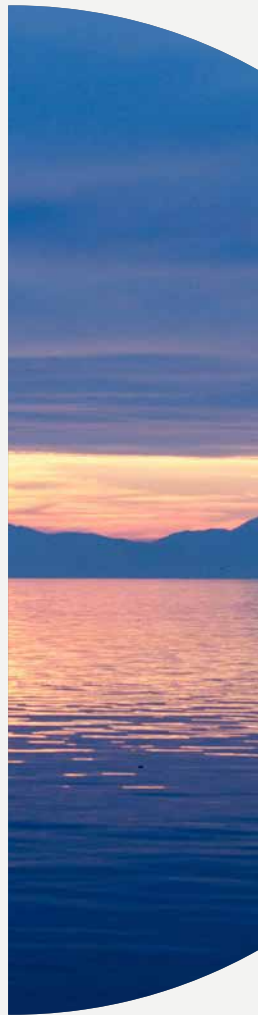
11 Carboneer (Aug, 2025) EU ETS Maritime: Obligations and Options for Action for Maritime Transport (Part 2)

12 BRS Shipbrokers (Aug, 2024) Fuel EU Maritime - Implications for Tanker Costs

13 Sustainable Ships (accessed Oct, 2025) Compliance costs per mT of fuel from 2025 until 2050

14 Marine Public (Jul, 2025) FuelEU Maritime 2025: Complete Compliance Guide & Cost

15 IMO (Apr, 2025) IMO approves net-zero regulations for global shipping



Many stakeholders in the maritime industry have voiced their disappointment over this decision. Thomas Kazakos, Secretary-General of the International Chamber of Shipping said he was disappointed in the result as the "Industry needs clarity to be able to make the investments needed to decarbonise the maritime sector."¹⁶

Transport & Environment's Shipping Director Faig Abbasov said the outcome meant more uncertainty but also showed "a clear desire to clean up the shipping industry, even in the face of US bullying".¹⁷

The intention is that ships that outperform targets can generate tradable surplus units, while laggards must purchase remedial units or pay penalties.

These measures interact in ways that amplify both risk and opportunity. EU ETS imposes immediate cash-flow and hedging challenges, FuelEU drives fuel-switching and operational changes, and the IMO framework aims to close regional arbitrage by embedding carbon costs globally when implemented. For owners and charterers, this means that environmental performance now directly influences freight economics, contract terms, and access to capital.

In addition, ports and coastal states are offering incentives or imposing new requirements related to broader environmental concerns. For example, the Port of Vancouver started offering in 2017 incentives to ships with lower underwater noise levels in a bid to protect their marine life.¹⁸ While shipowners are responsible for installing new technologies, charterers should, in theory, reap the financial benefits during vessel operation. However, this dynamic should also position shipowners to negotiate improved commercial terms, as they are offering more efficient and potentially lower-cost vessels to operate. Survey responses from both groups highlight

that financial incentives are widely viewed as the most effective mechanism for bridging the gap between best practice and commercial decision-making. This indicates clear potential for owners and charterers to collaborate more closely on technology installation and investment, sharing both the upfront costs and the downstream efficiency and compliance gains that result.

The bottom line

As the fuel transition continues, the opportunity to maximise efficiency to drive down carbon emissions now is compelling. Companies that integrate these signals into fleet renewal, retrofit strategies, and chartering policies have the potential to capitalise on a green premium, secure better financing terms, and reduce long-term compliance volatility. This can delay risk-stranded assets and escalating penalties as carbon pricing tightens and alternative fuels scale.

Today, there is also a stronger recognition that seafarers' quality of life directly impacts safety and performance.

Crew welfare

Crew welfare builds on basic crew welfare by addressing the full physical, mental, and social health of seafarers. While minimum standards like rest hours, food, and medical care remain essential, the industry is increasingly recognising the importance of humane schedules, access to mental health support, labour rights, insurance, and safe working conditions.¹⁹

¹⁶ ICS (Oct, 2025) Statement from International Chamber of Shipping following conclusion of MEPC ES

¹⁷ Lloyd's List (Oct, 2025) IMO to delay Net-Zero Framework vote for one year

¹⁸ Offshore Energy (Feb, 2019) Vancouver Port enhances ecoaction program to encourage quieter ships

¹⁹ GREEN4SEA Virtual Forum - DAY 2 (Apr, 2022) ESG in shipping: Positioning for impact, Aishwarya Iyer

The social elements of ESG are being sidelined in favour of environmental targets, and there's minimal accountability or drive for change.

Today, there is also a stronger recognition that seafarers' quality of life directly impacts safety and performance. According to insurer Gard, crew represents the biggest risk of accidents and at the same time is most exposed to the consequences of accidents.²⁰ RightShip data shows that in 2024, there were 518 fatalities reported.

In addition, there is an incredibly high suicide rate in the maritime industry. The World Maritime University reports that in 2025 suicide accounts for 5.9-7.7% of total seafarer deaths, and when suspicious disappearances are included, the rate could exceed 20%. Furthermore, 20% of seafarers report suicidal ideation, and 25% suffer anxiety or depression. This is anticipated to be higher than land-based workers due to social isolation and the pressures of working at sea.²¹

Going beyond traditional crew welfare also involves providing high-quality internet access on board vessels. Research Thetius conducted in 2024 found that 89% of seafarers feel connectivity for their personal use is important or extremely important for their downtime and overall morale. Another 80% said they spend the majority of their leisure time onboard communicating with friends and family. Some seafarers cited "mental trauma", "stress and anxiety", "loneliness and fatigue" and "depression" when asked how slow connectivity or internet outages affected them.²²

In addition, crew welfare today requires mental health support and respecting seafarers' rights. For instance, avoiding extremely long contract durations and enabling regular shore leave or timely rotations. This is an area that still requires a huge amount of work.

Frank Coles, a maritime industry expert with over 40 years of experience spanning seafaring, maritime law, and executive leadership told The Seafarer Social Podcast²³ that he has seen both the good and the bad side of shipowning when it comes to crew care. He told podcast host Carl King about something he witnessed in New York during the pandemic. "I saw one shipowner prepared to prepay 100% bonuses to their crew who were over there eight months and another shipowner who wanted us to divide \$1,000 between the whole crew and the same shipowner ordering us to switch the internet off on board the ship because they didn't want the crew communicating to other ships to find out what level of bonus they wanted...By turning off the internet now you can't communicate with your family in the middle of a world crisis. I mean, who gives that kind of order."

Charterers and shipowners have a huge role to play here. Many used to treat crew issues as someone else's issue, but now with ESG there is more focus on how a company treats its seafarers. The growth of ESG compliance requirements means charterers, banks, and financiers are under increasing pressure to demonstrate due diligence when choosing partners, as incidents of abandonment cast a negative light on shipowners and managers. RightShip for example does not recommend any vessels to its customers that have been linked to abandonment.²⁴

Moreover, some charterers, especially in high-value sectors like energy, include crew welfare metrics in their vetting.

20 Gard (Nov, 2022) Focus on seafarer welfare – a reflection on the "S" in "ESG"

21 Splash247 (Jul, 2025) Alarming rates of suicides at sea

22 Thetius (May, 2024) The Digital Wave

23 Seafarer Social Podcast (Dec, 2024) #023 - Frank J Coles LLM FNI

24 RightShip (Feb, 2023) Climbing cases of seafarer abandonment places profits above people as \$40 million is lost in unpaid crew wages

Are Safety, Sustainability, and Crew Welfare Reflected in Real Decisions?

Our pulse check across the maritime supply chain reveals a striking misalignment between commitments to safety, sustainability, and crew welfare, and the way commercial decisions are ultimately made.

While both charterers and shipowners affirm the importance of these ESG pillars, cost pressures, time constraints, and market fragmentation often tip the balance back towards traditional economics. Safety has become the essential “gatekeeper” - nothing proceeds without it. But once that bar is cleared, price and availability take precedence. This dynamic leaves environmental performance and crew welfare conditional, inconsistently valued, and frequently unrewarded.

While both charterers and shipowners affirm the importance of these ESG pillars, cost pressures, time constraints, and market fragmentation often tip the balance back towards traditional economics.



Pulse check

The pulse check is based on near to 100 stakeholder responses and supported by more than 10 in-depth industry interviews.



When selecting vessels, what do charterers prioritise?

73% claim that safety records and investments in risk reduction solutions significantly or critically influence chartering decisions

47% rank vessel safety as their top priority above other ESG factors



What limits charterers from offering better terms to owners exceeding ESG baselines?

60% say tight profit margins limit their ability to select vessels with higher ESG standards

53% cite short deadlines or urgent delivery demands



Do shipowners go beyond baseline in ESG?

73% exceed compliance in safety

67% exceed standards in crew welfare

60% go beyond baseline in sustainability

87% feel commercial pressures have caused charterers to deprioritise higher-ESG vessels in favour of cheaper or more available ones.



Charterers have limited transparency or clarity of vessel ESG credentials

7% have the right mechanisms to assess crew welfare during negotiations

53% say limited transparency influences their chartering decisions



Do ports evaluate a shipowner's efforts in safety, sustainability, and crew welfare when receiving vessels?

75% *sometimes*



25% *rarely*



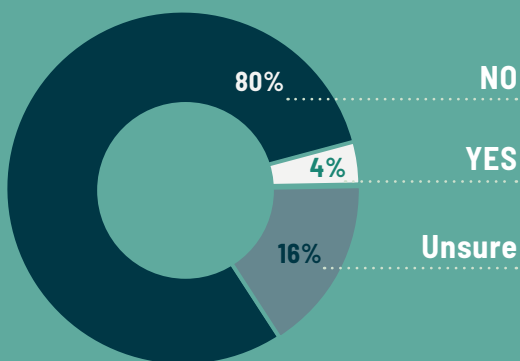
What drives shipowners to invest in technologies for ESG?

77% of solution providers believe solutions that drive financial savings play a critical or significant role in investment decisions

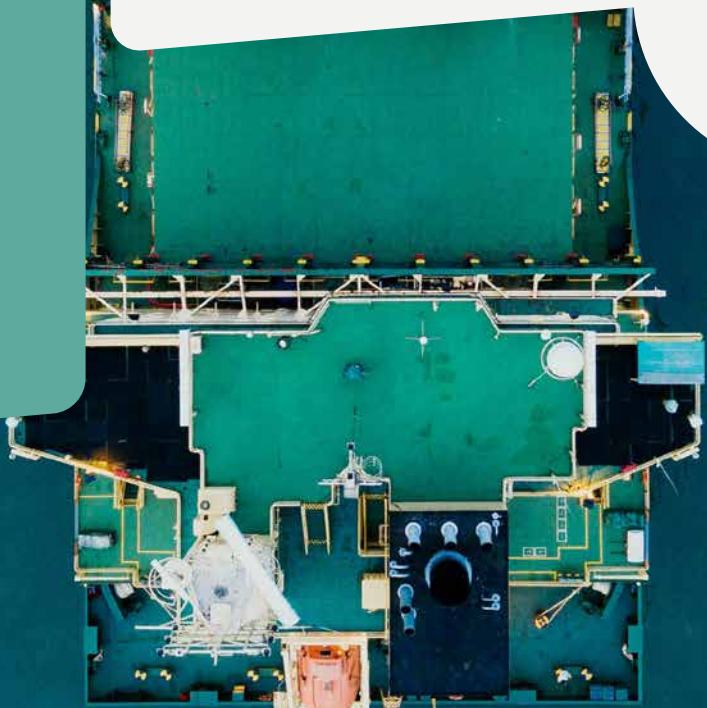
36% believe technologies for crew welfare standards play a slight role



Does the industry have a shared understanding of what "good performance" in ESG looks like?



87% *say commercial pressures have caused charterers to deprioritise higher-ESG vessels in favour of cheaper or more available ones.*



Key Takeaway

ESG Takes a Back Seat to Commercial Pressures

Charterers claim to prioritise safety and environmental performance over cost, but commercial pressures override ESG considerations when selecting vessels.

This research shows that charterers frequently position themselves as ESG-driven decision makers. 73% claim safety records and investments in risk reduction solutions significantly or critically influence chartering decisions. Nearly half (47%) rank vessel safety as their top priority above other ESG factors.

40% say crew welfare standards significantly or critically influence their chartering choices and 47% say carbon reduction targets play a critical role in their selection decisions.


Yet when commercial realities intrude, ESG considerations slip. Only 27% of charterers report offering better terms to owners that exceed ESG baselines. 60% say tight profit margins limit their ability to select vessels with higher ESG standards, and 53% cite short deadlines or urgent delivery demands. 40% say a lack of suitable vessels impacts their ability to select vessels with higher ESG standards.

"Owners say pay me a premium for a greener vessel. Fine. But customers pay me the index price... so it becomes our problem,"

Prashanth Athipar, Head of Maritime Safety & Technical at BHP

According to Gina Panayiotou, CEO and Founder of Oceans Arena, the demand from charterers and mainstream segments for greener vessels remains relatively low. Although coalitions of large charterers such as the Zero Emission Maritime Buyers Alliance (ZEMBA) and the Sea Cargo Charter signatories have pledged to prioritise low-emission vessels, this is still the exception rather than the norm. Most charterers currently do not prioritise requirements for greener or socially stronger vessels, however with heightened regulatory pressures, stricter ESG reporting frameworks and shipping being part of the Scope 3 reporting of charterer's own decarbonisation targets, owners who invest in ESG will prove to have a competitive advantage over those who do not in the long run.

Other industry voices echo this tension. Prashanth Athipar, Head of Maritime Safety & Technical at BHP told us, "Nothing goes out unless the ship is safe. Safety is the first and foremost thing. Do what is right is one of BHP's core values. It means, a sustainable future starts with safety and integrity, building trust with those around us.



While safety is universally acknowledged as non-negotiable, in practice, it acts more like a threshold than a differentiator.

“We would prefer to keep a substandard or unseaworthy vessel at the anchorage and bear the freight cost than berthing the vessel, which could potentially lead to a major incident within the narrow channel or at one of our terminals / berths. One day of delay at our Iron Ore terminal / berth could easily cost us approximately 15 million dollars.

“Once the vessel’s reliability is achieved through a fit for purpose and stringent vessel vetting process by the safety and technical team, environmental performance comes next, but rarely with financial backing. Owners say pay me a premium for a greener vessel. Fine. But unfortunately, there is currently no global regulatory or commercial system in place for end customers to pay for the total life cycle emissions, including shipping emissions. So, it becomes our problem,” Athipar explained.

Another charterer told us that in fragmented trades, transactions often become purely financial rather than ESG discussions. The dry bulk sector tends to be highly fragmented, largely because it relies on purpose-built vessels that carry a single commodity on direct, point-to-point routes. Unlike container ships, which can transport mixed cargoes and make multiple port calls, dry bulk ships are optimised for one-cargo, homogeneous loads and direct voyages.²⁵

The implications

The evidence points to a clear paradox. While safety is universally acknowledged as non-negotiable, in practice, it acts more like a threshold than a differentiator. Once a vessel is deemed “safe enough,” the balance of decision-making tips back toward cost and availability. This creates a recognition gap for owners who have invested in advanced safety or risk-reduction technologies, but rarely see those efforts rewarded commercially. Owners who invest in advanced safety systems, risk-reduction technologies, or greener tonnage often see limited commercial recognition.

“Greener vessels cost you more... but customers pay me the index price. It becomes our problem.”

25 Bimpikis, K et al., (Dec, 2024) Market Fragmentation and Inefficiencies in Maritime Shipping

This makes them hesitant to market safety innovations aggressively, assuming charterers will not reward them commercially. This hesitation represents a missed opportunity, particularly if charterers' stated safety priorities are genuinely reflected in their selection decisions.

Freight dynamics reinforce this imbalance. In demand-driven markets like dry bulk or containers, rates are index-linked and margins are razor-thin. Even well-intentioned charterers struggle to justify premiums they cannot recover from their own customers. As one interviewee told us, "Greener vessels cost you more... but customers pay me the index price. It becomes our problem."

The wet sector offers a lesson: standardised inspections like SIRE provide a common baseline and make performance comparable.

Segmental differences deepen the inconsistency

Tankers and LNG/LPG carriers operate under rigorous vetting and inspection regimes such as SIRE, ensuring higher baseline safety expectations. Containers, governed by a small number of liners, sustain consistent standards but still pivot back to cost under pressure. By contrast, the dry bulk market is highly fragmented, with the top 15 owners accounting for less than 28% of the fleet.²⁶ It remains overwhelmingly cost-first. This was a point reiterated in our pulse check. One charterer noted, "Everyone knows that safety standards and management of those safety standards is much higher on tankers that are on charter to the main oil majors."



Key Takeaway

No Reward for Going Beyond Compliance

Shipowners perceive that even when they go above baseline in safety, sustainability, and crew welfare, these efforts are not recognised or compensated.

Stronger safety records, greener vessels, and higher welfare standards are often overlooked when cost takes precedence. Even when owners go above baseline, they perceive that efforts are unrewarded.

Shipowners repeatedly highlight a recognition gap. Asked whether charterers value owners who go beyond compliance in safety, sustainability, and crew welfare, the overwhelming response was “not really.” Some acknowledged recognition “only occasionally” or “only with certain charterers.” None said “consistently yes.” Owners also reported that commercial pressures mean that charterers routinely deprioritise higher-ESG vessels in favour of cheaper or more available ones. 87% say this has happened, with 33% citing it as a frequent occurrence.

Our research shows many owners claim they go beyond the baseline. 73% say they exceed compliance in safety, 60% in sustainability, and 67% in crew welfare. Yet, only 13% believe that investments in

Stronger safety records, greener vessels, and higher welfare standards are often overlooked when cost takes precedence. Even when owners go above baseline, they perceive that efforts are unrewarded.

safety and crew welfare have consistently resulted in improved commercial terms with charterers, and just 7% say the same of advanced sustainability measures.

When it comes to marketing vessels to charterers, nearly half of owners say they emphasise safety over other factors. A similar percentage emphasises cost. Only a few owners (13%) prioritise technical features. This suggests that shipowners’ marketing strategies are largely shaped by commercial pragmatism, with innovation and technology remaining secondary selling points in the current commercial environment.

67% of shipowners say competitiveness generally outweighs safety and sustainability credentials during charter negotiations. Steven Jones, Founder, Seafarers’ Happiness Index, explained, “Charterers’ decisions are ruthlessly cost-driven. A dollar a box difference can decide who gets the business. So shipowners may feel they’re investing in ESG, but unless that translates into direct value for the charterer, they won’t be rewarded. The key is value. What is the value of sustainability actions, and who are they valuable to? Once we understand that, rewards follow.”



Fragmented reporting standards and limited visibility mean that even well-intentioned stakeholders struggle to recognise or market higher-performing vessels.

The implications

The perception that above-baseline efforts are invisible has far-reaching consequences. If shipowners consistently see little return from going above baseline, the rational choice for many will be to stick to minimum compliance. This risks creating a “race to the bottom,” where commercial pressures suppress incentives to innovate or invest in higher standards. The dynamic is uneven. Tanker and LNG/LPG operators, bound by strict regimes, are compelled to invest and more likely to see recognition; dry bulk, fragmented and cost-first, is where ESG adoption is weakest.

Underlying this is structural fragmentation. Multiple intermediaries including financiers, technical managers, and commercial operators separate the owner from the charterer. ESG expectations often dissolve across this chain, weakening accountability and obscuring recognition.

Financial misalignment exacerbates the issue. Freight rates remain demand-driven and index-linked, leaving owners to shoulder upfront costs of greener ships or crew-welfare initiatives, while charterers capture the savings but cannot pass them on. Without clear mechanisms to monetise ESG, the burden falls disproportionately on owners. The longer this persists, the greater the erosion of trust. Owners communicate improvements less, charterers cite lack of data, and the cycle of invisibility continues.

Key Takeaway

Incentives Alone Won't Close the ESG Gap

Closing the safety, sustainability and crew welfare gap will require better tools for both owners and charterers. Financial incentives and long-term contracts are essential to reward above-baseline performance, but they are not enough on their own.

Our data shows that the industry still lacks consistent, decision-grade data and a shared definition of what "good ESG performance" looks like. Fragmented reporting standards and limited visibility mean that even well-intentioned stakeholders struggle to recognise or market higher-performing vessels.

Crew welfare illustrates the blind spot vividly. While 47% of charterers claim it to be a significant criterion when selecting vessels, only 7% say they have the right mechanisms to assess it in negotiations. Transparency remains patchy. ESG data is often self-attested, fragmented, and inconsistently applied. This suggests that while in theory, charterers want to incorporate crew welfare into their decisions, they lack consistent or sufficient data to evaluate this aspect of ESG.

One charterer who prefers to remain anonymous told us, "When you ask me about ESG or crew welfare, we have no idea... Transparency is the key."

Incentives are also thin and there are no clear ESG incentive structures unless mandated by regulation. As Gina Panayiotou, CEO and Founder of Oceans Arena, explained, "For example, when it comes to training the crew for the fuel and technologies of the future or investments in their wellbeing or happiness, these are difficult to measure and monitor ROI on so it is accounted for as a cost. The incentive here for owners is safe and optimised operations rather than charter rate premiums and demand for these practises by charterers."

When it comes to sustainability, a handful of ports offer reduced fees or service discounts under schemes like the Green Award, but most enforcement remains compliance-driven. Flag-state approaches vary widely, creating duplication in some areas and neglect in others. This weakens the commercial signal to reward ESG leadership, leaving both owners and charterers struggling to act on their stated ambitions.

Fragmented reporting standards and limited visibility mean that even well-intentioned stakeholders struggle to recognise or market higher-performing vessels.



*“There’s a golden rule: **30% will do the right thing, 70% is just minimum compliance.**”*

A charterer interviewed for this research.

The implications

The absence of shared standards and credible data has left the industry fragmented. Owners who invest in stronger safety systems, greener technologies, or improved welfare often find these efforts invisible in the market. Charterers, meanwhile, admit they cannot consistently assess ESG claims. The result is a paradox. Both sides claim to value ESG, yet neither feels equipped to act. ESG remains a rhetorical commitment rather than a decisive differentiator in vessel selection.

The data supports this misalignment. 80% of stakeholders say there is no clear definition of what “good” performance looks like, and 79% of solution providers are either unclear or believe that existing standards fall short in measuring safety and sustainability technologies.

Crew welfare, despite being widely acknowledged, suffers from acute measurement gaps. Without visibility, it remains a hygiene factor rather than a differentiator. It is expected, but not rewarded. Unless addressed, the industry risks entrenching a compliance-only mindset where owners stick to the minimum required, and charterers revert to cost and availability.



From RightShip’s perspective, closing the ESG gap is not about adding complexity but about improving what already exists: strengthening standards, ensuring transparency, and making data actionable. Safety, sustainability, and crew welfare should no longer be treated as afterthoughts. With the right frameworks and tools, they can become recognised differentiators, ensuring those who lead are rewarded, and accelerating progress across the global fleet.



The way forward lies in alignment. Shared definitions, transparent data, and integrated decision-making.

Closing the ESG gap is not about adding complexity but about improving what already exists.

The bottom line

The evidence is clear. Charterers emphasise safety but ultimately prioritise cost and timing. Shipowners perceive that their above-baseline efforts go unrewarded. Both sides lack the tools, standards, and incentives to make ESG performance visible, comparable, and commercially decisive. Unless these gaps are addressed, ESG will remain stuck in the realm of rhetoric and compliance.

The way forward lies in alignment. Shared definitions, transparent data, and integrated decision-making.

With these in place, safety, sustainability, and crew welfare can evolve from minimum compliance to market-valued leadership, not just the right thing to do, but the smart commercial choice.

A Framework For Change:

Bridging the Gap Between Best Practices and Commercial Decision-Making

At present, barriers outweigh enablers in aligning safety, sustainability and crew welfare ambitions with commercial realities. Fragmentation, demand-driven pricing, and the absence of transparency mean that even committed owner-led ESG efforts often fail to translate into rewards from charterers. To shift ESG from being a compliance obligation into a recognised driver of value, the industry must build a framework that makes leadership visible, comparable, and commercially relevant.

Incentives that reward, not just enforce

Compliance has become the baseline. What is missing are clear incentives to recognise those who go further. 71% of total stakeholders in our pulse check said financial incentives are key to bridging the gap between best practices and commercial decision-making, with another 58% pointing to long-term contracts as critical enablers. Financial incentives could take many forms. For example, slight freight premiums for greener vessels, performance bonuses for strong crew welfare, or tax incentives for above-baseline safety.

Long-term charters

Long-term charters are particularly powerful, giving owners the confidence to invest in new technologies if they know employment is secured. For example, a 5-year time charter where the ship must maintain a certain CII rating and crew welfare level, in exchange for stable employment. This shifts the dynamic from spot bargains to partnerships. Without these, ESG leadership risks being treated as an unrecoverable cost.

Sustainability-linked Contracts of Affreightment

Sustainability-linked Contracts of Affreightment (CoAs) demonstrate what this looks like in practice. These would encourage charter contracts that keep sustainability as a focus, allowing carriers to gain an assurance of guaranteed cargo volume, enabling them to justify investments in greener technologies, while cargo owners ensure that their supply chain footprints shrink year-on-year. For instance, the COA agreement between KCC Chartering and Raizen is designed to reduce CO₂ emissions per ton of cargo transported by up to 40% compared with conventional shipping.²⁷

Port fee discounts

Today, ports and flag states remain weak links in advancing maritime ESG performance. While 71% of respondents highlighted the importance of port fee discounts as a potential driver of change, none of the ports surveyed had established ESG incentive policies. A small number participate in Green Award schemes, but most continue to focus solely on compliance enforcement. This leaves a significant gap in the incentive landscape. By offering discounts, preferential berthing, or faster turnaround for vessels with strong ESG credentials, ports could play a pivotal role in accelerating industry progress, mirroring the approach of those that already prioritise Green Award-certified ships.

Green financing, grants, or sustainability-linked loans with margin adjustment clauses, where interest rates rise or fall based on ESG performance, are proven tools.

Financial de-risking

Governments, banks, insurers, and P&I Clubs can also play a role by de-risking ESG investment. For example, green financing, grants, or sustainability-linked loans with margin adjustment clauses, where interest rates rise or fall based on ESG performance, are proven tools. According to Patrick Smith, Partner at Watson Farley & Williams, tying a shipowner's loan interest margin to their performance against agreed ESG targets could financially reward those who meet targets or disincentivise those who fail to meet targets.²⁸ This would create accountability without waiting for regulation to catch up.

According to Gina Panayiotou, CEO and Founder of Oceans Arena, the industry should be working collaboratively to create clear incentive structures for owners. For example, insurers and P&I Clubs could accelerate innovation by recognising that new decarbonisation technologies can reduce environmental and operational risks, rather than seeing them as an additional or new risk, which translates in higher premiums in the short term. By adjusting underwriting models to reflect these benefits, they can reward first movers and help drive the industry's transition to cleaner, safer operations.

²⁷ Raizen (Feb, 2022) Raizen and KCC embark on sustainability-driven contract of affreightment

²⁸ Watson Farley & Williams (Mar, 2024) Bridge to Boardroom Shipowners' Webinar Series - Episode 1

Centralising and standardising expectations

You cannot reward what you cannot measure. The industry lacks a shared definition of “good safety, sustainability and crew welfare performance.” 80% of stakeholders say “good” performance isn’t clearly defined, and 79% of solution providers agree current standards don’t adequately measure safety or sustainability technologies.

This opacity leaves leadership invisible in chartering decisions. The tanker and LNG/LPG sectors provide a benchmark as their rigorous inspection regimes, such as SIRE, impose consistent oversight and create higher safety baselines. However, whilst SIRE has set a strong precedent for safety, it does not yet encompass sustainability or crew welfare considerations, meaning the tanker segment is still searching for comparable transparency and measurement in these areas. In contrast, dry bulk remains fragmented and cost-first, with weaker safety, sustainability and crew welfare adoption. This uneven playing field means owners in less-regulated segments can remain competitive by sticking to minimum compliance, while others bear the cost of higher standards.

The industry lacks a shared definition of “good safety, sustainability and crew welfare performance.” 80% of stakeholders say “good” performance isn’t clearly defined.

Shared benchmarks and harmonisation

A solution lies in shared benchmarks and greater harmonisation across the industry. Initiatives led by organisations such as Intercargo, ICS, InterManager, ARCSOPT, and the Dry Bulk Centre of Excellence (DBCE) represent important steps toward this goal. By advancing frameworks like DryBMS, the industry can align expectations across charterers, terminals, and owners, embedding safety, sustainability, and operational excellence into daily practice.

The next step is integration. Incorporating these frameworks into existing assurance and vetting systems so that ESG leadership becomes part of the industry’s operational DNA rather than an additional burden. ESG indicators should be built directly into nomination and vetting processes, ensuring that leadership priorities influence commercial outcomes.

Before this can occur, safety, sustainability and crew welfare considerations must be embedded into the tools the industry already trusts, such as SIRE, RISQ, the RightShip Safety Score, and GHG assessments. Once the key ESG investment data points are identified, they can be integrated seamlessly into these systems, making performance visible and actionable without extensive process change or disruption. The RightShip Inspection Ship Questionnaire (RISQ) demonstrates what effective harmonisation looks like. Tailored for different vessel types, RISQ provides a unified, evidence-based framework for assessing safety, operational integrity, and ESG performance. By revealing the real condition and compliance of a vessel, it helps shipowners identify areas for improvement while giving charterers a reliable basis for investment and vetting decisions.²⁹

Harmonisation could also be advanced through charterer coalitions. If major charterers across multiple segments commit to a shared ESG chartering policy. For example, a pledge to only charter ships rated above a certain threshold by 2030. This would align market expectations and accelerate the adoption of higher standards across vessel types.

Transparency through trusted data

Building transparency through trusted data requires more than technology. It demands connected systems, verified information, and shared responsibility across the value chain. The following five action points outline how this can be achieved.

Break down the silos and connect the ecosystem

Unlocking the full potential of ESG progress depends on transparency and the free flow of decision-grade data across the maritime ecosystem. Yet today, processes remain fragmented, weighed down by repetitive tasks and siloed systems that limit visibility and slow progress.

The industry's next step is to build a connected, data-driven ecosystem, one in which information moves seamlessly between charterers, ports, terminals, shipowners, and managers. When data flows freely and systems interoperate, vessel performance, safety indicators, and ESG metrics become visible in real time, enabling earlier risk detection and more transparent recognition of performance.

"What about the vessel owners' overall corporate social responsibilities to operate the business not just consistent with the shareholders' expectations but also the expectations of the communities where they operate vessels? What about the crew welfare? We have no or limited information about crew welfare. This is why I think we need more actions by the shipping regulators (flag and port state authorities), classification societies, and vessel vetting companies like RightShip.

"Information sharing and transparency through a common platform is one of key success factors, because then we can benchmark and find out what's going on."

Prashanth Athipar, Head of Maritime Safety and Technical at BHP.



RightShip's ongoing work in data verification and predictive analytics reflects this direction, but achieving it requires collaboration across the value chain. Shared standards, interoperable systems, and a collective openness to data exchange will ensure that information reaches the right people at the right time, strengthening both safety and accountability.

Even where safety, sustainability, and crew welfare commitments exist, data is often fragmented, inconsistent, and self-attested.

Verify what matters

Even where safety, sustainability, and crew welfare commitments exist, data is often fragmented, inconsistent, and self-attested. Charterers struggle to distinguish leaders from laggards, while owners say their investments go unseen. As one charterer put it, "When you ask me about ESG or crew welfare, we have no idea... Transparency is the key."

A unified platform where verified, decision-grade ESG data is available at the point of nomination would change this. The Sea Cargo Charter and Poseidon Principles already demonstrate how emissions transparency can influence lending and chartering. For example, the Sea Cargo Charter enables cargo-owners and shipowners to align their chartering activities with responsible environmental behaviour and incentivise shipping's decarbonisation.³⁰ Extending this model to crew welfare and safety would give stakeholders the visibility needed to act consistently and reward genuine performance.

RightShip's crew welfare self-assessment tool is a positive step, providing visibility to charterers and supporting accountability. However, the data is not verified by independent experts, meaning that charterers could assume the results are marketing claims rather than credible evidence.³¹ Verified scoring or benchmarking is therefore critical to help charterers confidently compare vessels and identify leaders.

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³⁰ Sea Cargo Charter (2025) Annual Disclosure Report 2025

³¹ RightShip (updated 2024, accessed Aug, 2025) Crew welfare Self-Assessment FAQ



Collaborate across the value chain

Challenges in shipping cannot be solved by one party alone. According to Dean Domazet, Founder and MP of BD&A, an ESG-focused technical expert and advisor, "Owners, charterers, ports, regulators, and technical experts all need to align. Decarbonisation and improving energy efficiency are complex, and too many actors only focus on their own position. Progress requires everyone in the supply chain to pull in the same direction."

Transparency through trusted data, depends on collaboration. aligning incentives, sharing information openly, and recognising the value of independent inspection and verification.

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"Owners, charterers, ports, regulators, and technical experts all need to align. Decarbonisation and improving energy efficiency are complex, and too many actors only focus on their own position. Progress requires everyone in the supply chain to pull in the same direction."



When ESG performance is measurable, it can be embedded in contracts, financing, and insurance, transforming ESG from a burden into a competitive advantage.

Reward verified performance

One shipowner told us, "There needs to be a complete change in how data is supplied when putting a vessel up for charter. Safety and SIRE carry major weight in the tanker segment, and a vessel can be restricted based on its historical performance. That trumps everything else. But once safety is confirmed, factors like crew welfare could be considered as part of the selection criteria."

When ESG performance is measurable, it can be embedded in contracts, financing, and insurance, transforming ESG from a burden into a competitive advantage. Verified, comparable data empowers charterers to make confident, performance-based decisions and ensures that those investing in safety, sustainability, and welfare are recognised for their leadership.

Translate raw data into actionable intelligence

Collecting data is not enough; it must be translated into actionable intelligence. Today, data often sits in static reports, disconnected from commercial decisions. By integrating inspection records, emissions profiles and welfare assessments into vetting and nomination workflows, these metrics can become integral to the decision-making process itself.

Emerging technologies and AI will be central to this shift, turning static data into continuous intelligence. Rather than relying on periodic reporting or self-attested declarations, stakeholders can access live, verified information that evolves in line with operational realities. This would make ESG performance not only measurable but actionable, transforming transparency from a compliance requirement into a competitive advantage.



Public recognition as a lever

Market recognition is another underused driver. Public rankings and awards raise the stakes by linking reputation directly to performance. No charterer wants to be seen using poorly rated vessels if that information is visible to customers, investors, or the media. Steven Jones, Founder of the Seafarers Happiness Index gave one example of why public perception matters. "I've been working with a major retailer who knew every detail of their land supply chain but wanted to know more about the ships carrying their goods. Once they looked deeper, they realised crew welfare and ESG mattered to their brand. That created value for them, even if it wasn't directly financial at first."

Public benchmarking can increase reputational accountability, ensuring that safety, sustainability and crew welfare leadership is recognised even in segments where financial incentives remain weak.

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Policy and regulation

51% of survey respondents believe regulatory enforcement will play a key role in bridging the gap between best practice and commercial decision-making. Yet, in interviews, many industry experts argued that stronger regulation is essential to raising vessels' ESG performance. Stricter transparency rules would make more data public, and no charterer wants to be seen fixing a poorly rated vessel if that information is visible to the media or investors.

Conclusion and Recommendations

This report finds a persistent gap between ESG pledges and day-to-day vessel selection. While 73% of shipowners state that they go above baseline compliance in safety, 60% in sustainability, and 67% in crew welfare, only 27% of charterers report offering better terms to owners that exceed these baselines. Tight profit margins, short deadlines, and urgent delivery demands impact charterers' ability to select vessels with higher ESG standards.

To move from rhetoric to results, the industry needs leadership that is visible, verifiable, and rooted in commercial reality. That starts with shared benchmarks across segments and reliable data that decision-makers can actually use. Incentives should link contracts, financing, and port access to measurable outcomes, not just promises. Public transparency will help celebrate genuine leaders and make it harder for laggards to hide.

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When expectations are standardised, data is trusted, and ESG principles are built into day-to-day decisions, charterers and owners can align risk management with their values.

When expectations are standardised, data is trusted, and ESG principles are built into day-to-day decisions, charterers and owners can align risk management with their values. The result is safer operations, lower emissions, and better lives at sea, all while strengthening resilience and competitiveness across the global fleet.

The following 4 recommendations aim to bridge the gap between pledges and practices. If these steps are taken, safety, sustainability, and crew welfare will no longer sit at the margins of vessel selection. Instead, they will be embedded into commercial decision-making, rewarded in markets, and recognised as sources of resilience and competitive advantage.

1. Reward ESG leadership through financial incentives, long-term contracts, and port fee discounts

93% of shipowners, 60% of charterers, and 77% of solution providers support financial incentives for vessels that meet high ESG standards. Now, industry stakeholders need to move to implement them.

Mechanisms such as sustainability-linked charter contracts, long-term CoAs, and ESG-indexed loan facilities

By embedding ESG criteria into contracts and financing, companies can turn compliance into a commercial advantage, aligning profit with responsible performance and accelerating investment in safer, cleaner fleets.

can directly reward owners who meet defined safety, sustainability, and welfare benchmarks. By embedding ESG criteria into contracts and financing, companies can turn compliance into a commercial advantage, aligning profit with responsible performance and accelerating investment in safer, cleaner fleets.

2. Define and standardise expectations so "good" is universally recognised across all vessel types

With 96% of maritime professionals agreeing there's no clear, shared definition of good ESG performance, the industry must act to change that.

A unified standard is needed so "good" is recognised consistently across all vessel types. Charterers, owners, and terminals should align through frameworks such as ARCSOPT and RightShip's RISQ

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to define common benchmarks for safety, sustainability, and crew welfare. Standardising these expectations will make ESG leadership measurable, comparable, and credible across the global fleet.

3. Turn insight into intelligence by embedding trusted, decision-grade data into risk management and chartering workflows

With 87% of shipowners reporting that charterers lack effective mechanisms to assess crew welfare, safety, and sustainability, data must be verifiable and accessible at the point where commercial decisions are made.

Embedding trusted, decision-grade insights from inspection records and welfare assessments to emissions data directly

Data must be verifiable and available where commercial decisions are made. Charterers and owners should mandate a standardised ESG data pack.

into existing workflows ensures that ESG becomes part of everyday decision-making.

AI will accelerate this shift, transforming static datasets into continuous intelligence that evolves with operations. The result is earlier risk identification, stronger accountability, and ESG performance that is both measurable and meaningful. This will ultimately enable companies to practice, not just promote, responsible operations.

4. Elevate recognition so reputational and financial value flow to those who lead

ESG performance still lacks visibility, leaving owners who exceed standards largely unrewarded. The industry must close this gap by making leadership both measurable and visible.

Annual league tables comparing owners' and charterers' ESG performance across safety, environmental, and crew welfare metrics could help turn recognition into real market value. Transparency initiatives like the Sea

Annual league tables comparing owners' and charterers' ESG performance across safety, environmental, and crew welfare metrics could help turn recognition into real market value.

Cargo Charter could be expanded to include social and safety metrics to put those falling behind under pressure to improve. Public benchmarking transforms ESG excellence from an internal ambition into a recognised mark of industry leadership.

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