

Membership case study: Cargill



Cargill is the first dry bulk charterer in the world that applies Green House Gas emissions ratings, derived from EVDI (Existing Vessel Design Index) to all of its chartered vessels.

Cargill will only charter the more CO2 efficient vessels operating in the shipping market available to us.

CONTEXT & OBJECTIVES

Cargill realized that it made environmental and business sense to use a trustworthy and recognized environmental standard in addition to the regular ship vetting procedures that we follow. EVDI consists of a formula that showcases the amount of CO2 emitted (in grams) by a vessel for every tonne of cargo carried per nautical mile based on: i) total engine power; ii) fuel type and specific fuel consumption; iii) DWT; iv) speed.

The calculation and the formula made sense to Cargill's shipping team, and it realized that it had to set a positive precedent in the shipping industry in order to help drive the industry forward. The system is expressed on an A to G scale, same as with appliances, ranging from "A" best performing to "G" least performing. The system was developed by a company called RightShip, where Cargill is a partial shareholder together with companies Rio Tinto and BHP Billiton.

SOLUTION

Cargill committed to a leading industry policy to only charter A to E rated vessels (unless there is a management override). We developed this commitment together with Richard Branson's NGO, Carbon War Room. Cargill is able to use the EVDI alongside other environmental innovation techniques in order to achieve environmental efficiency. All of our chartered vessels go through this process and we keep track of all the results. The average emission reduction is about 21%.

More information:
www.cargill.com

OUTCOMES

- We have gained visibility and public recognition from making this commitment and at the same time urges the shipping industry to take a step forward. It has raised awareness with various stakeholders in the shipping industry. The average emission reduction is about 21%
- It has been helping us achieve the SSI vision by allowing us to use resources more efficiently and responsibly, supports our positive reputation, and also highlights ways to move forward. We have received quite a few customer inquiries interested in understanding in what we are doing in the green shipping space. _

What are the first steps people can take to replicate this idea/initiative?

1. **Use Rightship.**
Review the following site: www.rightship.com
2. **Use free tools to evaluate to evaluate your vessels.**
www.shippingefficiency.org