

Applying an ESG perspective to the MARCO POLO Incident

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Extended Abstract

Over recent years, the shipping industry has begun to discuss issues relating to sustainability, often within the framework of Environmental, Social and Governance (ESG). As the requirements for ESG reporting for business-as-usual (BAU) activities increase, ITOPF with the support of Gard (a provider of maritime P&I insurance), are developing tools to assess the ESG impacts relating specifically to ship-source pollution incidents.

While marine casualties do not always fall within (inter)national ESG reporting mandates due to their unpredictable nature, many organisations, including marine insurers, consider them material. Therefore, they intend to voluntarily capture and report on the E, S & G impacts relating to marine casualty response. Given the fast-paced and time-sensitive nature of marine casualty response, any tools developed to facilitate capturing and better understanding these ESG risks must be concise, effective and adaptable.

ITOPF have developed two tools to facilitate ESG impact assessment of a marine casualty:

1. A greenhouse gas (GHG) calculator to estimate the GHG footprint associated with response operations; and
2. An E, S & G impact assessment (ESG IA) framework, which is a more holistic approach to capturing both positive and negative impacts of a marine casualty incident, and highlight lessons learned.

The GHG calculator produces one (of many) data types which can be fed into the ESG IA, alongside data from other sources (including observations on site, and daily progress reports). Data can either be inputted manually into the ESG IA in a tabular format, or can be entered using our bespoke GIS app. Within each of the E, S & G sections of the ESG tool, there are pre-defined impact categories which are typical to marine pollution incidents to prompt data entry. Once completed, the ESG IA output table can serve as a detailed standalone ESG impact summary, or a dashboard can be generated that shows an incident-specific ESG overview to enable sharing with external stakeholders.

To test and refine the tool, ITOPF and Gard have collaborated to assess the ESG impacts associated with the MARCO POLO incident. In October 2023, passenger ro-ro vessel MARCO POLO grounded in Pukavik Bay, Sweden, releasing approximately 45 – 74 MT of heavy fuel oil.

Clean-up operations commenced immediately following the spill, led by the Swedish Coast Guard at-sea and the local municipalities on the shoreline. Gard were the P&I insurer of this vessel, and ITOPF attended on site for several weeks immediately following the incident, and returned to site on several occasions to conduct surveys during the following year.

The ESG IA was found to be a useful assimilation of data (preferable to a lengthy report), and a practical way to highlight lessons-learned around decision making, communication between stakeholders, and agreement of suitable clean-up end-points. It was not possible to complete the assessment during the early phases of the incident due to other time-pressure relating to the response, but this prompted us to adapt the tool to be used as a retrospective review of this case.

The shoreline response to the MARCO POLO incident is ongoing, and therefore this ESG IA assessment will continue to evolve.