

# ICS / RIGHTSHIP MEETING

## ICS members anonymised feedback – August 2023

### 1. Safety Score platform update

- a) Uploading of documents is time consuming.

**RightShip:** The RightShip Platform is equipped with links to facilitate quick uploading of documents onto the Platform for Owners and Managers. If users of the RightShip Platform are experiencing difficulty, then the RightShip team will provide support and where required training to assist. Non RightShip customers who are requested to upload documents into the Platform are provided with quick links via email that are equally as efficient, or they can email their documents. We would welcome further detail, however, to understand (a) what documents are time consuming to upload, and (b) for what purpose (e.g., vetting, inspection, etc.).

- b) When dealing with large fleets the RightShip fees are extremely high would like the fee structure discussed.

**RightShip:** Previously RightShip had a standardised subscription amount for Owners and Managers. However, this is no longer the case and RightShip have introduced different subscription tiers at lower price points for Owners and Managers with smaller fleets, including via RightSTORE. Furthermore, RightShip's cost structure does leverage economies of scale for those operating larger fleets including the pooling of multiple DoC under single subscription.

### 2. Safety Score platform transparency

#### 2.1 Algorithm, rating transparency & vessel downgrading

- a) Owners very concerned about the algorithm that underpins the safety score, the way it works and the manner in which ships and DOCs are downgraded, many without any prewarning.
- b) Owners advise that there are many instances of seemingly automatic downgrades of vessels safety scores and sometimes the DoC by the RightShip algorithm. Many seem to be for questionable situations without any prewarning or discussions with the Owners or ship managers beforehand. All downgrades have a negative impact on a vessel's commercial attractiveness and tradability. Restoring a downgraded ships rating as quickly as possible is important and delays in the process caused by RightShip errors or slow response are unacceptable.
- c) Owners, when trying to find out the reasons for downgrading, in discussions with RightShip staff, many owners / operators commented that it often took an unacceptably long time to provide an explanation and resolution.
- d) Owners further advise that when RightShip staff were queried about specific issues they were often unable to advise the exact reasons for downgrading, frequently stating they didn't understand why the algorithm worked in the way it did.

**RightShip:** Detailed explanations of the mechanics of the Safety Score can be found on the RightShip website [here](#). In addition, detailed information is available in the Technical-Information part of our website [here](#). The latter link provides detailed information of the Methodology Overview information on the scoring of N/A and 0;

1 and 2, and 3, 4 & 5, information around Safety Score Governance as well as calibrating and testing the model. Furthermore, information is available viewing one of the many webinars we have undertaken.

In addition, views of the market have been captured along with outcomes through a recent survey of a broad range of our customers including Owners, Managers, Ports and Terminals, and Charterers pertaining to the next version of the RightShip safety score. Upgrades are being considered in an important product enhancement project running this year to evolve to the next version of the safety score. Specifically, we note the suggestion to incorporate a timeframe for Managers to provide an initial update on details related to incidents impacting scores, and recognition of Manager proactivity, and transparency in the model. These and other options are being explored within that project scope. The next step will involve progressing this development, and there will be opportunities for further feedback, which we value from all customers and invite ICS members to share their further views through responding to future surveys accordingly.

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- e) Owners advise that there is an urgent need to provide more transparency behind the safety and environmental scores. Ideally, Shipowners and ship managers and RightShip staff should be able to quickly drill down through the safety score or environmental score systems to find out exactly why a ship rating or company DoC was downgraded or was increased. It would be good if this could be achieved online by making an enquiry in the safety score or environmental score pages thus reducing the need to make inquiries directly to RightShip, except for complicated cases.

**RightShip:** Exploring introducing a digital service for this via RightSTORE.

- f) ICS member's main concern is the algorithm developed for calculating the Safety Score and the GHG rating of the ships which, to our understanding, is influenced by incidents captured by various channels outside of the control of the vessel, owner or operator.
- g) ICS member considers that the algorithm appears to have the weakness not to be able to categorise the incidents into serious and minor ones. Despite the seriousness of the incident, the Safety Score downgrades are automatically driven without prior verification and feedback from the ship management company. Changes to the Safety Score of a ship without prior interaction with the interested parties, especially when it concerns incidents that do not follow any well-established or known categorisation criteria, should not be allowed.

**RightShip:** Incidents indeed are categorised relative to severity and reflected as Category A, B, C, D on the Platform and is explained at <https://rightship.com/technical-information?nid=481> .

Exploring options to provide a generous grace period for Incidents before they impact the vessels safety score to allow Operators to submit details to RightShip and avoid some downgrades.

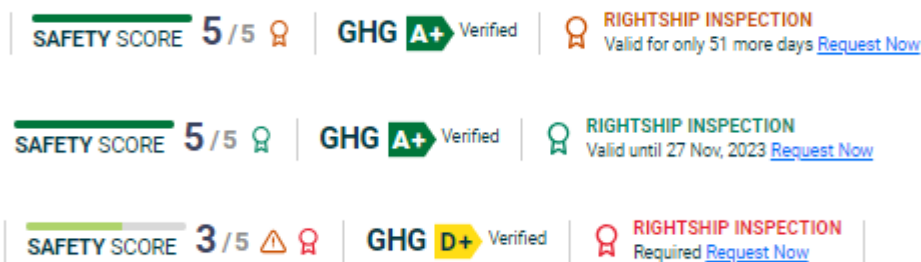
- h) ICS member understands that RightShip is promoting voluntarily and early reporting of incidents. However, the Safety Score and DoC score are immediately affected, neither culturing nor encouraging an open and transparent reporting environment. Instead, the ICS member are of the view that a reduction of the seriousness of each incident should be introduced in the calculation taking into account self-reporting of the incident, thoroughness of post incident root cause analysis, corrective and preventive actions implemented, measures and sound management practices adopted by the company for improvement. To add on that, there are incidents that have no actual impact on vessel's seaworthiness or safety (e.g. a radar defect) and, therefore, should not be classified as such. Downgrades of the risk profile of the ship without obvious reason should not be permitted.

**RightShip:** RightShip indeed encourages transparency and proactive reporting. Although it is not factored in the Safety Score calculation, there is still a significant advantage in doing so. Transparency and proactive reporting help shipowners/managers avoid delays when charterers vet their vessels. It allows RightShip to review Incidents or PSCs, ask for clarification and further information if necessary and give shipowners/managers enough time to respond. This ensures the vessel is free of pending matters. Eventually, the vetting process is not delayed when charterers have a commercial interest in vessels. Otherwise, RightShip captures unreported events during the vetting process and there may be limited time to lift the subs. There is an ongoing project to upgrade the Safety Score and RightShip explores ways to reward transparency within the new version.

RightShip Incident categorisation includes a wide range of events, not only those impacting “seaworthiness” Details about the incident categorisation can be found <https://rightship.com/technical-information?nid=481>

- i) The RightShip page for any given vessel should clearly state whether the vessel is “RightShip Inspected” or not. If an owner does not regularly engage with RightShip, because the vessel’s trades, customers, charterers, ports, etc do not require it, actively closing out any issues, such as from Class or PSC or periodic RightShip for surveys/audits, then the vessel rating will not accurately reflect the condition and management of the ship. Transparency is lacking here.

**RightShip:** Every dry bulk vessels page clearly states if the vessel has been RightShip Inspected or not.



- j) There is a lack of clarity, on the “severity” of a finding (there is no differentiation between findings available to us following an inspection), and therefore the lack of clarity on how the safety score and validity of inspection are assigned. Transparent use of a grading scale would be useful.

**RightShip:** We understand that this point may be referring to RightShip Inspection finding severity and the grading of findings against regulatory and industry standards. We have developed a method that we are in the process of embedding/testing to help with the internal consistency of close outs. The embedding/testing phase which began last month will continue until the year end. This will provide an expanded body of data on validated high, medium and low risk findings, across regulatory and industry standards. With respect to RightShip Inspections and the Safety Score, there is no current impact on the Safety Score “model” - however, there are Rule impacts such that any vessel which requires an Age Based RightShip Inspection will achieve a maximum Safety Score of 2/5 and a vessel whose last RightShip Inspection was “Unsatisfactory” will achieve a maximum Safety Score of 1/5.

- k) RightShip are intransigent on the safety score rules, if a vessel has three stars until today, and tomorrow goes down to 2, RightShip will not budge to rise the score back to 3 for an extra week, until we can get in port and have another visit. One could take a cynical view here too – cash grab through requiring surveys.

**RightShip:** The current requirement for an annual RightShip Inspection above 14 years of age is published clearly. Managers are automatically notified at 60 and 30 days to remind them of vessels which are nearing that requirement to achieve an acceptable inspection, and if this is not conducted, the score is automatically adjusted through a rule to demonstrate to Charterers and Ports the fact that this is not in place.

- l) Closure documents to incidents/detentions should be treated/processed by RightShip faster & with a high priority:
- i. Review of documents, requests for more details and the final closing of an incident/detention can take several weeks. In the meantime, the vessels employment is on the table and dependent on this closure.
  - ii. Review of detention closure documents will only happen if a vetting request is received. In the meantime the detention stays open even if already closed onboard.
  - iii. A review of incident categorisation is necessary.
  - iv. Minor incidents are overestimated (for example, leakage through mechanical seal of Ballast pump incident Cat. C)

**RightShip:** There are cases where there are many points of discussion between a Manager and RightShip to get to the final position on genuine root causes, and preventative and corrective actions planned to be undertaken to strengthen the SMS and mitigate potential of future cases. In addition, cases of higher seriousness such as fatalities typically take longer to finalise. Where there is a pending vet, or Charterer / Port demand these cases are prioritised, as are RightShip members. Should ICS members wish to connect with us on any incident or PSC detention / deficiency, we invite them to reach out to us.

## 2.2 Newbuilding ratings

- a) ICS member advises that a brand new bulk carrier built at a particular shipyard in China, with a particular class and flag was downgraded on delivery.

**RightShip:** This is not correct. Newbuild vessels are assigned a Safety Score up to 90 days prior to delivery. Given they have no PSC or INC performance history at this stage the biggest factor on the score will be the DOC, Class and Flag.

- b) RightShip seems to have made the decision based on PSC inspections of similar ships built at the same shipyard. The RightShip algorithm automatically decided that this was warranted, with no real subjective engineering study of the problem. The Shipyard, Class and Owners were not contacted beforehand. After major protests from the shipyard, shipowners, and class the downgrade was removed.

**RightShip:** This is not correct. The shipyard a vessel is built at has no impact on the Safety Score.

- c) Inspections should be possible from newbuilding delivery, reports to be shared with all parties to minimise the work onboard/ashore.

## 2.3 Structural integrity

- a) Lack of transparency with respect to the data being used, and how it is obtained. Concern that at least part of the data may be being generated by AI search engines, which collate and analyse data from the internet.

**RightShip:** If your members are referring to vessel structural related information, this is sourced direct from vessel operators normally in conjunction with a vetting request in the platform. This would include such documents (as applicable) as Class Survey Status, Survey Narrative Reports, CAP Survey Reports and the like which are not sourced using AI search engines.

- b) Lack of clarity with respect to whether ship structures are being inspected, and if so, how competent the inspectors are.

**RightShip:** With the introduction of RISQ there was also a change to our approach in relation to the work of Class. Large areas of structural related inspection scope was removed such that the work of Class was not being duplicated nor their expertise being challenged. Inspectors are required to report fact and are not Surveyors who make reasoned decisions based upon their expertise and remit. Inspectors are though, required to report any observed and evident structural damages, deterioration and failures as statements of fact and not opinion, noting also that Class may have not been made aware of such damages, deterioration and failures.

- c) Responsibility for the accuracy of a structural integrity assessment.

**RightShip:** Following meetings with IACS it was clear that there was some clarity required to some of our published Vetting Criteria related to structural aspects. This clarity has now been applied to the recently released revision to our Vetting Baseline Criteria whereby we now make clear that we do not conduct structural integrity assessments.

## 2.4 Appeal process

- a) There seems to be no official systematic appeal process for Ship Owners or ship managers to query decisions made by the RightShip algorithm. The present system is ad-hoc and is frustrating for all involved. RightShip should set up a system for handling appeals that can handle the volume involved. Ideally, experienced ex bulk carrier Master's and Chief Engineer's should be employed to handle this work and vet the RISQ reports.

**RightShip:** We welcome ICS members to contact us to discuss any specific concerns with the safety score algorithm. Note that RightShip has a project underway to evolve the safety score to the next version. As part of this, we conducted a widespread survey and gathered inputs from a range of stakeholders including owners and managers. If the members have suggestions, please ask them to contact [Info@rightship.com](mailto:Info@rightship.com)

## 3 Information requests/requirements, timing & approach

- a) ICS member advises that their members have raised an issue regarding the new "information gathering" processes for RightShip. In one case, it almost cost a smaller company their charter.

**RightShip:** We request information from owners and managers in different situations that could relate to incidents, port state control deficiencies or detentions, terminal operational feedback reports, vetting process requests etc. As such, we are unable to comment on this in the absence of more substantive information pertaining to the specific case that the Member refers to. We request the member sends correspondence to [Info@rightship.com](mailto:Info@rightship.com) or if they are a RightShip customer, directs to their Key Account Manager such that the appropriate follow up and support can be initiated.

- b) Example;

The ship in question is fully classed, has all required certificates, and has a competent crew on board. The ship is in line and in compliance with all rules and regulations to which it needs to comply. In theory, particularly with a Flag on both MoU White Lists and Qualship 21, that should be enough to certify the ship is good to go.

**RightShip:** This certifies only that the vessel complies with regulatory and statutory requirements; a consistent requirement for all vessels to legally put to sea and demonstrate that at the time of inspection and issuance the vessel was in compliance with the prescribed requirements for certification issuance. These items do not,

however, represent, nor demonstrate, the potential operational risk of a vessel from how it (has been) or is maintained, managed, operated or governed over time. As such, these requirements alone are insufficient to demonstrate the appropriate level of operational risk of a vessel. Such operational risks can be influenced by, but not limited to, crew experience, management process implementation, incident history and occurrence, DoC holder performance, etc. Moreover, the condition of a vessel at the time of survey is susceptible to deterioration between surveys, evident by the deficiency and detention system implemented across the global Port State Control construct. Furthermore, reference is made to para 6.3(a) relating to the Tanker sector and how tanker vetting has greatly improved tanker operations and safety. We would urge members to recognise that tanker vetting processes also look beyond mere compliance and focus on operational history, operational trends, and compliance against recognised industry standards.

- c) However, RightShip has started asking/demanding lots and lots of information that shouldn't be needed if the vessel is in compliance with all of the above. Examples of information requested include:
- i. Crew sailing experience
  - ii. The company
  - iii. On board this ship
  - iv. On board this type of ship
  - v. Other types of vessels
  - vi. This type of main engine
  - vii. The company
  - viii. Disclosure of ultimate beneficial owner/full company structure (which shouldn't be their business, and also where Flag/Financier come into play)
  - ix. All details of last performed drills and familiarization dates.

**RightShip:** The information detailed above is not exhaustive of the information that we maintain on the RightShip Platform nor of the information that we would request, However, the situation, and or purpose for requesting such information varies and therefore it is not appropriate to comment on each point without having the context for which the information was requested. It is important none the less to emphasise that some of the information requested by RightShip is under instruction of the vet requesting organisation. However, by way of providing some context for the benefit of the readership, we provide some hypothetical examples herewith.

Crew sailing experience is used within some of our processes, and is consistent with what is evaluated by, and asked for by many oil and gas organisations who usually have their own crew experience matrix criteria to be complied with which provides a minimum level of experience required to reduce the risk of potential incidents. This accounts for items listed (i – vii). The relevance, for example of 'type of engine' could pertain to vessels that are often equipped with different types of propulsion systems (e.g., steam vs diesel engines) and therefore the experience of a crew member with that engine is a risk management factor.

In relation to the beneficial ownership of the vessel, this is used for many purposes including verification that the beneficial owner is not a sanctioned entity, nor has been associated with ILO/ ITF abandonment or human rights cases.

- d) Owners are also concerned with the way RightShip ask for this information. Multiple emails with extensive requests for information. These sorts of questionnaires and information demands have the potential to really hurt small companies who do not have the staff resources to manage this, to the point where this example company, despite doing everything they could to respond as fast as possible, still almost lost their charter hire due to short notice information demands. In their view, particularly with respect to the Cape market, RightShip is more powerful than Flag, Class and PSC.

**RightShip:** The comments are noted, and we would encourage the company concerned to make contact with RightShip so that assistance can be provided. It is important, however, to note that RightShip's focus, whilst similar to Flag, Class and PSC is fundamentally different. RightShip's focus is the management of operational risk with a clear desire to help the market players in reducing their operational risk.

- e) ICS member advises that RightShip is characterised by a slow turn-around time on exchanges related to incident closures. To the ICS member's experience, even if the shipping company takes immediate action to rectify any discrepancies found, RightShip has been found unable to address all incidents and respond to individual requests timely. RightShip's inability to appropriately respond to incidents should not be the reason for downgrading the Safety Score of a ship and/or the DoC score of the company. These are RightShip's failings that the shipowners unfairly, commercially suffer from. In some cases, there are also unquantifiable damages to the shipowners' reputation on top of the commercial harms and severe repercussions on shipping companies.

**RightShip:** RightShip SMEs conclude over 2,000 Incident reviews and over 17,000 PSC inspection reviews annually. In addition, there are a significant number of cases in which our SMEs cannot complete their review because the submissions (investigation reports, root cause analysis, corrective and preventative actions, supporting evidence when applicable) do not contain sufficient information to allow a successful review. Hence, they have to go back to the shipowners/managers and ask for further information, which eventually causes delays.

Acknowledging the time sensitivity when the vessel is nominated for a business, RightShip prioritises Incident and PSC reviews as follows;

- Vessels in the vetting process by charterers,
- Review requests submitted by RightShip members (owners/managers),
- Review requests submitted by non-RightShip members (owners/managers)

Moreover, RightShip members may request prioritisation of reviews by contacting RightShip Ops and their designated KAMs.

RightShip strongly suggests ICS members proactively provide their close-outs and investigation reports to RightShip as soon as they become available and ensure that provided documents contain all relevant information and align with industry standards.

## 4 GHG vessel ratings

- a) ICS members advise that it is imperative for RightShip to accept the IMO EPL and ShaPoLi as means of improving the GHG rating. These are acceptable solutions by the IMO and should be also accepted by RightShip.

**RightShip:** The GHG 2.0 methodology was shared with ICS earlier in the year where it was confirmed EPL and ShaPoLi are fully accepted by RightShip and can be submitted by non-subscribers via the Environmental Submission process found on our website. However, EPL's and ShaPoLi's resulting in MCRIim below IMO MPP1 will not be reflected in GHG 1.0.

### 4.1 Methodology, verification process & sea trial requirements

- a) An ICS member advises that their members have reported their frustration with the methodology adopted by RightShip for reporting efficiency improvements for ships in service and thereby EEXI/CII improvements.
- b) A typical example. A ship is retrofitted with a Propeller Boss Cap Fin, (PBCF), a standard efficiency enhancement device installed on 1,000's of ships, which transfers the propeller hub vortex into useful energy. Although the efficiency improvement is well understood, RightShip refused to consider the GHG enhancement without an official sea trial in a fully loaded condition! No ship has a fully loaded sea trial, they are always carried out in ballast condition with a projection for fully laden condition.

**RightShip:** Our longstanding approach to reflecting benefit of ESD's has been to seek objective evidence of the actual benefit. For hydrodynamic upgrades (bulbs, ducts, nozzles fins, PBCF's etc) we accept makers or consultancy CFD reports and their conclusions - which is no different to the approach adopted by Class to reflect ESD benefit in for example EEXI Technical Files and likewise for say reflecting benefit for installing Main Engine EcoNozzles where makers' statements are accepted. If your members have experienced unreasonable demands (as in Para b. above) then kindly share with us the vessel name and IMO Number so we can conduct the necessary investigations.

With respect to CII and to clarify - RightShip's approach to CII remains work in progress and CII as verified by Class will be reflected side by side with RightShip's GHG rating once annual CII verifications are completed.

- c) ICS members question why a sea trial is needed at all as many ships have good performance monitoring systems that can quickly reveal any efficiency gain compared to pre installation. Sea trials are not necessary in most cases. Many ships will be installing efficiency improvers over the next few years to meet increasingly tougher CII regulations. RightShip's GHG rating system documenting a ships improved efficiency needs a much simpler verification process.

**RightShip:** Response above answers.

- d) GHG rating calculation should be transparent and not based on assumptions.
- i. There should be transparency in the rating calculation for dual fuelled ships. For example the rating of dual fuelled LNG vessels is noted to be based only on LNG consumption (not taking into account slippage and the fact that they are also consuming diesel).
  - ii. Can the offsetting of emissions during a longer period be taken into account?

**RightShip:** For LNG or LPG fuelled vessels RightShip uses exactly the same criteria/data as EEDI in that only the identified Primary Mode is used. If Gas is stated as the Primary Fuel in the EEDI Technical File, then Gas SFC and Pilot SFC are both included in our platform. Our GHG Rating is based on same basis as EEDI – i.e., Design and not how a DF vessel will be operated.



## 5 RightShip points of contact – knowledge & understanding

- a) ICS members have commented that many RightShip staff seem to lack general knowledge of seafaring, charter parties and bulk carrier operations, leaving them very frustrated. Members considered that on many occasions the re-rating process took far too long not helped by the reasons above.

## 6 RISQ surveys

- a) ICS member advises that the RightShip checklist is exhaustive with a lot of requirements way above the industry standards. In many cases, these standards have been copied by the tanker and gas carrier sectors which have significantly higher requirements and follow a totally different approach. The application of standards inspired by other sectors is neither practical nor appropriate for the dry bulk sector. In addition, with the introduction of the new RISQ questionnaire, the number of non-conformities (NCs) has been significantly increased. Still, a response from the ship management company including meaningful root cause analysis, corrective actions, and sustainable long-term preventive actions for each NC is required within 15 days. Most of the times, the 15-day timeframe is not sufficient, and it is not a timeframe that RightShip equally follows for providing responses.

**RightShip:** The RightShip inspection is a risk-based inspection that includes regulatory requirements, industry standards, and goes beyond regulatory requirements, for example best practices to reduce fatality risk and to support Managers to close the gap toward zero harm. The document provides a wealth of guidance and is on its third update since 2021 based on regulatory updates, industry standards, and suggestions from across a wide range of customers and stakeholders. We have provided responses to the two main parts of the question raised (a) RISQ questionnaire scope and transferability of requirements; (b) timeframe for responses.

- i. **RISQ Questionnaire Scope.** The current RISQ framework has been developed based on many years of risk and safety observations, and best practices from both the dry bulk and tanker sectors. Practices such as enclosed space entry, working at heights, mooring, navigation, planned maintenance execution are consistent regardless of vessel type. Bringing insight, requirements and best practices from other sectors and industries increases safety in the dry bulk sector and therefore should be embraced. Furthermore, following direct feedback from the market, RightShip have recently changed the terminology from Non-Conformance (NC) to findings.
- ii. In relation to the 15-day period for the close out to be submitted. The 15 days has proven to be achievable for most managers and provides for a prompt close out of the Inspection for the Manager, and parties that may view the vessel on the Platform. Should Managers require more time to assess and finalise actions, this can be extended if necessary, noting that this will also extend the close out of the inspection, potentially delaying the outcome for the Manager and any parties reviewing the vessel. To request an extension, Managers simply contact us and provide a reason for needing the extra time.

It is important to note that this is the period for the Manager to provide clear time-based actions planned to address Findings. RightShip do not require that actions for all findings have been completed within the 15 days, as there may be some that are dependent upon spares provisioning, dry docking, or planned technical services. In such an instance RightShip would seek information that outlines the mitigative steps taken to manage the risk, for example, a risk assessment conducted, technicians arranged and a purchase order showing the necessary spare part has been procured. As such, the 15 days is considered a reasonable period for a manager to provide their respective root cause analysis and response plan for most findings. The vessel's manager has the option to request an extension should it be required.

In terms of the statement that the requirements have been copied from the tanker industry, and that requirements are neither practical nor appropriate for the dry bulk sector. This is of concern that ICS members would consider that a lower safety standard is acceptable within the dry bulk industry. Noting the generic nature of this statement, and to assist us in being able to understand and respond to the specific concerns we would appreciate ICS providing further clarification and specific examples, and specific safety standards that they believe are applicable to tankers and gas carriers, but not to dry bulk or general cargo vessels? This will assist in a more meaningful assessment of the concern, to engage in more detail, and to assist and guide parties that hold this view.

### 6.1 V.3 implementation & management of change

- a) Owners advise that RISQ Ver 3 is 207 pages and differs markedly from RISQ2.0 which was 177 pages. What, if any, management of change process was implemented by RightShip to justify the change? Also, what explanation was provided to the industry make them aware of the changes? ICS members are unaware of any information provided explaining the above.
- b) Owners note that OCIMF arranged multiple seminars and engagements with the industry as a part of the management of change from SIRE 1 to SIRE 2.0 and engaged with the industry bodies like Intertanko in the development of the new checklist.

**RightShip:** It is important to highlight that RISQ has been available since May 2021, providing a comprehensive document covering inspection requirements and guidance. We have been deliberate in maintaining this transparency to the industry, to help Managers prepare and maintain SMS effectiveness, ship condition, and crew familiarity with the SMS, industry recommendations and best practices. Our consistent experience has been that where Managers have been proactive, and embraced RISQ, completed their gap assessment against their SMS, and implemented improvement actions, this has been evident in their safety performance and RISQ inspection outcomes. Note, the document length is due to the wealth of guidance that RightShip has purposefully made transparent to assist the industry, which has been welcomed.

The assertion that there were 30 additional pages between RISQ 2.0 and RISQ 3.0 and content differed markedly without explanation is simply not correct. RightShip works with many companies and stakeholders who have proactively shared suggestions and sought clarifications. It was through this approach that the refinements and alterations were made, to incorporate improvement suggestions through industry feedback. These updates were communicated and available on our website for three months prior to being applied and were included in an appendix to the document (Appendix C). RightShip did not receive complaints that the three-month window to provide the revised version with references was insufficient.

RightShip consistently engages with the industry on RISQ through various type of forums, seminars, and crew conferences. We recommend that ICS advise the member/s raising this concern or seeking clarification to reach out to us on [risq@rightship.com](mailto:risq@rightship.com)

- c) Owners advise that it has been noticed that the results of the physical inspections are not taken into consideration in the overall evaluation of the vessel's performance, and as such, are not included in the calculation of the Safety Score. Physical vetting inspections should have a positive impact on the rating of the vessel and on the DoC score when noteworthy practices are identified. Taking into consideration that there are so many factors which could negatively affect the ship's rating, we strongly believe that RightShip should provide tools to balance the negative impact.

**RightShip:** Noted, and RightShip is exploring the options to recognise RightShip Inspections in future versions of the Safety Score, in a fair and transparent manner.

## 6.2 Regulations vs best practice

- a) Owners have reported that quite often some of the “deficiencies” raised by RightShip vetting inspectors exceed any rule or regulation applicable to dry bulk vessels. They seem to be based on what the RightShip surveyor considers is best practice, which, according to owners, is often not in line with the best practice defined by the bulk industry and commonly far exceeds reasonable requirements of even Class and Flag.

**RightShip:** RightShip is surprised ICS Members would remark that RISQ is a copy of standards that are not relevant to dry bulk ships. We are concerned that your members would continue to hold such a view, given the depth of guidance available within RISQ. Hence, we kindly request ICS members to provide clear examples of cases where questions or guidelines are viewed as not relevant to the dry industry. We have for many years welcomed proactive feedback and suggestions and engage with many stakeholders and managers seeking clarity and making suggestions. It is from this collaborative engagement with industry, that regular updates to RISQ are made. Please request your members to submit suggestions, supported by clear examples, reference cases, and technical reasoning, to [risq@rightship.com](mailto:risq@rightship.com). In addition, if a member believes that a recorded finding does not align with the inspection guide or industry recommendations, or seeks clarification, we invite them to contact us via the same email and we will review the matter.

## 6.3 Bulk carrier inspector knowledge, experience & training

- a) ICS members advise that tanker vetting is mature, transparent, and accessible and has greatly improved tanker operations and safety, also, that the vetting surveyors are experienced tanker mariners. Conversely, ICS members commented that many RightShip Bulk Carrier vetting inspectors often lacked in-depth experience of bulk carriers and general bulk operations. This was not helpful, and, in many instances, led to disagreements that frustrated members and took an inordinate amount of time and effort to resolve.
- b) Employing experienced bulk carrier senior offices and training them as vetting inspectors would be a welcome development.

**RightShip:** Inspectors are selected based on qualifications, to then undertake comprehensive training including written and oral examination, and are subject to retraining as requirements evolve, and audit to maintain consistency and standards globally. Furthermore, each single inspection is peer reviewed within RightShip before close out. No inspector is an authority on their own but is supported and overseen by RightShip inspection management personnel.

- c) ICS members also advise that the RISQ questions are in the form of Yes, No, N/A or N/V. When an answer is “NO”, many members reported that often inspectors were unable to provide detailed subjective explanations. Such answers can only be properly answered by experienced bulk carrier inspectors. Why is it that so many vetting inspectors seem to lack detailed knowledge of bulk carriers and bulk operations?

**RightShip:** Inspectors document any findings based on RISQ including photographs or other evidence. During the closing meeting, inspectors will discuss the list of findings. We suggest that ICS remind members, that it is important for the master and key personnel to utilise the closing meeting and ask the inspector questions if specific findings are not understood. This will assist the next step assessing causes and determining actions to address each finding.

In addition, if a member believes that a recorded finding does not align with the inspection guide or industry recommendations, or seeks clarification, we invite them to contact us via the same email and we will review the matter.

- d) ICS members note that OCIMF arranged an extensive training programme for all SIRE inspectors who would be carrying out the SIRE 2.0 inspections. A similar training program for bulk carrier inspectors would be a welcome development.

**RightShip:** See comments under 6.1 (b). The pre-selection process for inspectors is being carried out in accordance with the guidelines established by RightShip Training, Testing, and Accreditation. These guidelines provide a clear outline of the minimum requirements that inspectors shall meet to be eligible for training consideration. The assertion that RISQ Inspectors are not adequately trained demonstrates a misunderstanding. The training programme includes a two-week online course, followed by assessments and both written and oral examinations. One of the advantages of RISQ is that it includes comprehensive inspection guidance that is transparent to all. This guide serves as a valuable resource for inspectors, providing them with assistance during inspections. Additionally, it also aids vessel managers in effectively preparing their ships for inspection. This feature will help to reduce subjectivity from the inspector or vessel manager. The vessel manager should ensure that their key personnel are well-educated on effectively using the inspection guide and engaging professionally with the inspector. If the vessel manager believes that the recorded finding is not accurate, we invite them to contact us and provide substantiation of the concern to [risq@rightship.com](mailto:risq@rightship.com). We will then investigate the matter.

Note that we have many inspectors who participated in the SIRE 2.0 inspection training programme and provided positive feedback on our training programme compared to the SIRE 2.0 training.

- e) Owners advise that RightShip inspectors do not follow concise practices, and, in many cases, they make personal judgements. The RISQ has mainly recommendations for the inspectors and not clear guidance to consistently perform the inspections. It has been observed that whilst some RightShip inspectors from certain offices and geographic areas are reasonable, others seem to be rather strict with a tendency to record as many findings as possible, making the proper benchmarking extremely difficult. It is the quality of the observations and not the quantity that is key for improving the safety of the ship. A two-week training offered to the RightShip inspectors may not be enough and should be revisited.

**RightShip:** We strongly encourage ICS members to review RISQ 3.0 and reach out to us on [RISQ@rightship.com](mailto:RISQ@rightship.com) regarding their questions. Please clearly state which guide to inspection you find unclear and in need of further explanation. Providing general comments will not enable us to effectively answer the question and does not have any advantages in improving the system. For reference, there were 625 questions, suggestions and communications undertaken with proactive stakeholders that preceded RISQ 3.0 updates. So, we are most welcoming of the engagement and collaboration with substantiated suggestions.

We agree with your point that it is the nature of the findings that is important, not the quantity. It is crucial that the recorded findings are supported by the guide to inspection or industry recommendations and remain objective. If the recorded finding does not meet the basic requirements that we have stated, they will be noted and corrected during the peer review of close outs, however if you do note a concern, please email [risq@rightship.com](mailto:risq@rightship.com) and we will investigate.

The training of inspectors is an ongoing process. This is achieved by reviewing 20% of the findings as soon as they are entered into our system and providing feedback to the inspection company. At Rightship, we can review 100% of the inspection reports. This allows us to provide valuable feedback to inspection companies when we identify any inconsistencies with the standards set for the RISQ programme. This is a unique advantage that neither OCIMF nor CDI can offer in their risk-based inspection regimes. However, if the ICS member still believes that the recorded findings or the comments in the inspection report are subjective, please email us and we will investigate.

- f) It is understood that RightShip may now consider using non-mariners to undertake the surveys, relying on new Graduates and marking against the RISQ questionnaire, more on a tick and flick methodology rather than any background in ship operations. It would be good to understand if this is happening and if RightShip will provide the provenance/suitability of their Surveyors.

**RightShip:** This statement is simply false. We invite the ICS members to refer to the RightShip Training, Testing, and Accreditation (TTA) guidelines to familiarise themselves with the pre-selection criteria of the inspectors. If an ICS member believes they have been inspected by an unqualified person or graduate, we invite them to show the evidence.

- g) No feedback is received from RightShip on the quality of the responses to inspections, once submitted.

**RightShip:** We provide feedback and request clarification on actions that are not clear. And we are reviewing options to provide further on quality of actions to assist Managers.

#### 6.4 Inspection validity & timeframe

- a) Owners advise that currently bulk carriers which are 14-years old require a RISQ survey, yet after completion some Members reported the validity of the inspections can be as short as 3 months, depending on the outcome of the inspection. This is not reasonable, particularly if the vessel is involved in trades where a RightShip survey is required.
- b) ICS members suggested that RISQ inspections should have one year validity, with +/- 3 months leeway of the validity date for re-inspection, if required, in case the vessel is not in a convenient port for inspection. This would mirror the system adopted by Class/Flag for statutory certificate renewals. There is also a suspicion that surveys are good earners for RightShip at the expense of the Shipowner so any excuse for 2nd or even a 3rd survey is seized upon.
- c) Owners advise that it is not always possible to meet the inspection timeframe because of the cross-trading character of bulk/tramp shipping. With this in mind, RightShip would need to introduce a degree of realism for the timing of scheduled inspections. We have seen on several occasions that the Safety Score of the ship is downgraded at the anniversary date of the last inspection, even when an inspection request has been put in place prior of that date and the inspection has been delayed due to unforeseen reasons (i.e., port congestion, RightShip inspector's unavailability, etc.). An extension of the validity of the previous inspection should be considered, provided that a request for inspection is in place and credible justification of the delay is available.
- d) Owners are also aware of the fact that some Charterers do not charter vessels if the remaining validity of the physical inspection of the ship is more than two months. Effectively, that means that the validity of the RightShip inspection is reduced to 10 months. RightShip should consider the practicalities and apply an inspection window of +/- 3 months similar to the Classification Societies' practices.

**RightShip:** It is important to note that the RightShip inspection is a risk-based inspection; therefore, the comparable inspection regime in the industry would be OCIMF or CDI. It is important to note that most tanker operators conduct inspections every four to six months. Similarly, dry bulk Charterers are increasingly requesting more frequent inspections given the gaps observed in safety performance.

We recognise that some Charterers will not accept a vessel with inspection validity approaching expiry as they cite concerns that performance may have changed particularly in cases of longer validity. The rotation of ship crews typically occurs within a period of three to nine months in most cases.

Considering the significant role that the crew plays in effectively operating the ship, it is important to prioritise more frequent inspections, to demonstrate to Charterers that the vessel continues to perform. To be clear the maximum validity possible is 12 months and to be unequivocal, this will not be extended. We assist managers to plan through providing transparency of validity dates, daily platform updates on remaining duration, and reminders at 60 and 30 days. The industry is evolving toward transparency through more frequent inspections similar to the tanker sector, and Charterer expectations requirements may evolve particularly for Charterers of tankers and dry bulk tonnage, given that tanker operators conduct inspections every four to six months.

The RightShip inspection is an important tool that will help us assess the risk that the ship could pose to our client. The RISQ can be conducted in various forms, including standard, hybrid, and dual inspection. The latter two options have the potential to reduce inspection time by 3 to 7 hours, but this is contingent upon shipping companies planning ahead and providing all necessary documents at latest 72 hours in advance. For detailed information about hybrid and dual inspection, please refer to our website.

## **7 RightPort**

### **7.1 Overview**

- a) RightShip is promoting wider use of its rating systems to ports – isn't this just a cash grab via surveys and audits? Rather cynical view, but true.

**RightShip:** RightShip has worked to support ports for a number of years as a key integra in the maritime value chain. The launch of RightPort was intentional to clearly formalise with specific focus the work that we do to help ports and terminals contribute towards improving standards and reducing harm in the industry. Our data shows that more than 50% of all incidents occur within a port region and far too often, ship related operational incidents that occur in ports result in loss of life of stevedores, pilots, dock workers, etc. Any loss of life is unacceptable. Therefore, our vision of a zero-harm maritime industry should not be limited to distinct sections of the value chain. Furthermore, ports and terminals have an instrumental and enabling role to play in the global decarbonisation journey of the maritime industry and given our vision of zero harm incorporates environmental harm, ports and terminals have a clear seat at the table and RightShip will continue to support them with a view to driving greater standardisation in the industry.

### **7.2 Ports use of vessel ratings**

- a) ICS members reported that some bulk ports in Australia have recently started requesting RightShip inspections before allowing entry into the port, with the costly survey for the Owner's account. There was no prewarning of this to the ship manager or Owner and nothing about it on the RightShip website.

**RightShip:** Noting the comments in 7.1(a) regarding port related incidents and fatalities, the decision by a port to require a RightShip inspection is a decision entirely at the hands of a port. It is for ports to evaluate the potential risk of a vessel through many different angles and in many cases a valid RightShip inspection is a tool that helps ports to gain assurance a vessel is being operated to an acceptable standard that (a) does not compromise the safety of their people, their interface or their environment, (b) has a reduced potential for causing delay, be it from break down, operational or equipment related inefficiency, or from the risk of detention. Furthermore, our statistics verify vessels that have undergone a RightShip inspection have a noticeable reduction in detention. We therefore urge Owners and Managers to look beyond the immediate cost of an inspection to clearly see the value and scope benefits that this presents for Owners and Operators.

### 7.3 Costs of surveys, audits & management

- a) It should be made clear to Ports planning to use the RightPort tool that if they undertake to arbitrarily require vessels to maintain a RightShip rating threshold, whilst already successfully maintaining class and flag state certification, this will have financial consequences for vessel owners and ultimately the customer/charterers of the trade.

**RightShip:** We refer to comments already provided in previous section 3(b) and 7.1(a).

## 8 Governance

- a) ICS members consider that RightShip is a ship vetting system without any real competition and the Owners are major charterers. There seems to be no checks or balances of RightShip's conduct and considering that the shareholders are three major Charterers the interests of Shipowners, ship managers and the shipping industry in general are not represented.
- b) ICS members suggest the RightShip Board would benefit from including some major Shipowners and ship managers plus representatives from IACS and possibly some major shipping NGO's, i.e. ICS, Intercargo, BIMCO etc so that all sectors of the shipping community are involved in the Governance.

<https://rightship.com/insights/rightship-appoints-two-non-executive-directors-board-gaining-maritime-and-digital>

## 9 Human Rights Abuses

- a) ICS members advise that it is important to recognise that human rights abuses that might occur onboard a ship, extend beyond violations of the shipowner's obligations under the Maritime Labour Convention (MLC, 2006), although there may be instances where they coincide. The international Conventions define the scope of fundamental human rights and the term "human rights abuse" and RightShip's criteria should strictly adhere to these established standards. Failure to do so may result in certain shipping companies being deemed unacceptable and suffering reputational damage in cases of MLC violations, which can occur on an occasional or accidental basis, or even beyond the control of the shipowner. This issue gains particular significance in the aftermath of the COVID-19 pandemic, where the basic rights of seafarers (such as prompt repatriation, shore leave, and contract duration) could not be fulfilled against the will of shipowners. ICS members firmly supports the proper implementation of the MLC, 2006, with the dual objective of safeguarding seafarers and ensuring fair competition among reputable shipowners.

**RightShip:** The members view is fully recognised insofar as their own compliance with the requirements and provisions of the MLC 2006 Convention. Unfortunately, and similarly to other regulatory and statutory requirements that result in the issuance of certification, such regulations represent a baseline standard for compliance and possession of a valid certificate does not correlate to the day-to-day operational standards being implemented on board a ship. The challenges that COVID-19 presented to the shipping industry cannot be played down and RightShip fully respect, recognise and empathise with Shipowners and Managers with regards to the difficulties faced, such that RightShip was also a signatory to the Neptune Declaration standing in unison with other signatories. However, despite the issuance of MLC2006 certification, the number of ships abandoned throughout the course of 2021 and 2022 was considerable. Such situations clearly do not meet the requirements of the MLC 2006 convention and need to be adequately and transparently highlighted where required.