#### ICS / RIGHTSHIP MEETING

# ICS members anonymised feedback – February 2025

# 1. Safety Score

- The Safety Score platform's functionality has improved, allowing also for access to more information and material, including inspections results.
  - We are pleased to hear the latest changes have been well received, and we look forward to introducing further enhancements this year.
- Industry would very much appreciate more updates in relation to changes in the platform and Safety Score as well as training on how to use the platform through open webinars, dedicated presentations etc.
  - We have started our **RightShip Deep Dive** webinar series, which will cover various topics in the coming months. The first session on *Preparing for RightShip Inspections* was held on 6th February with over 300 attendees to the live event and nearly 1,000 views of the recording since. The next topic will focus on *Safety Score* planned for April.
- Safety Score continues to create anxiety as re-calculations cannot be predicted. Safety Score is calculated by known parameters, but unknown formulas or weighting and dissipation over time factors. Transparency issues still stand as they are cases that the Safety Score has been influenced by parameters that don't reflect the real safety condition of the ship.
  - We are working to make the Safety Score more transparent and explainable. Our upcoming webinar will clarify key misunderstandings about the rating system. We welcome feedback on how to improve, make it fairer, or better explain the rating. We also provide a technical guide to the Safety Score and other RightShip products and services on our website which is well worth familiarising with https://rightship.com/technical-information.
- It has been observed that Owners / Managers are now being requested to submit an investigation report, including a Root Cause Analysis (RCA), for old incidents, which were not picked up earlier by RightShip. The incident could be a few years old and suddenly this is picked up and the Safety score is consequently affected until submissions made.
  - RightShip Vetting requires any Incident in the last 24 months to be closed. This
    requirement has been in place for several years. There has been no change in
    approach regarding older incidents.
- Transparency on incidents categorization is still a long outstanding issue. Incidents of similar nature, severity and geolocation are treated differently. Incidents which should be categorized due to a fatality as a category A are categorized as a category B incident.
  - We publish our incident categorisation standard transparently on our website and aim for consistency when assigning categories within the RightShip Platform. The categorisation is guided by system logic and we are now rolling out Al functionality to support the Vetting Superintendents to increase consistency. This works by identifying similar cases to the incident being reviewed and highlighting

how the other cases were graded so the Vetting Superintendent is guided towards a more consistent grading. <u>Technical Information</u>

- Transparency in the DoC assessment is unclear. Even after proactive incident reporting, incidents reported in the DoC still show as nil in the system.
  - Unfortunately, we are unable to respond on this case without the specific DOC or Vessel Name for us to investigate. What we can say is the behaviour described is not consistent with how the system is setup to function.
- The DoC safety score should not be affected if the owners/managers proactively inform of the probable cause of an incident and RightShip should wait for the final investigation report to be submitted.
  - There is a grace period of up to 14 days for the Manager to contact RightShip and provide details of the incident. This allows RightShip to either correctly categorise the incident before it enters the algorithm or in some cases to extend the grace period pending receipt of a more comprehensive investigation report.
- Proactive reporting of incident/accidents to RightShip should be considered positively so as not to affect the safety score when received.
  - Proactively reported incidents are rewarded in the Safety Score through the Transparency feature. This reward comes in the form of a 40% reduction in impact of that incident on the vessel and DOC's Safety Score. To date 319 transparent incidents from 183 different DOC have benefited from this award.
- Many companies have an additional annotation next to their DoC sub-score as well as next to each of their managed vessels. However, no adequate explanations have been received for such annotations, which are quite damaging for a company's reputation. For all we know, these annotations are not automatically applied by a known rule but are rather arbitrarily applied?
  - DOC with an additional annotation are clearly explained within the RightShip Platform by clicking on the annotation itself. There are also full details on the RightShip website where each vessel and company annotation is detailed as well as actions that can be taken to clear the annotations. Technical Information
- Although there is an improvement in the decay of the algorithm defining the safety score of a DOC, the 5 years period of historical performance is unjust for managers / owners that want to improve performance. An 18-month historical performance data should be sufficient.
  - Any statistical model needs a suitable sample size of data to function correctly. When RightShip moved from the predictive, black box Star Rating model to the current Safety Score it drastically reduced the number of model parameters. This was a direct response to market feedback that parameters such as the vessels type, size, builder that could not be changed should not be included. As a result, it became necessary to increase the time period the model calculated over to account for the reduction in data points and increased reliance of PSC and Incidents which in a 12 month period are in low volumes.

# 2. GHG rating

- It is not clear why RightShip applies an additional "GHG Rating", since all vessels now have Class/Flag approved EEDI/EEXI (ship design) and of course CII (operational) indices?
  - EEDI/EEXI are compliance metrics and once compliance is achieved the drive to improve efficiency of a vessel further is not present. The GHG Rating facilitates IMO's EEDI/EEXI regulations by providing an approach, facilitating and incentivising more efficient vessel design to have an impact on short-medium decarbonisation targets ahead of the fuel transition. This simplifies the selection and financing of efficient vessels based on relative performance amongst vessels of similar type and size as well as self-driving the market to improve the fleet efficiency further towards the industry's decarbonisation. It is underpinned by industry regulations such as EEDI and EEXI but turns that into an effective market solution.
- RightShip's "GHG Rating" is based on a metric called "Speed Correction Intensity" and another factor called "Size Score". It is unknown how these figures are calculated. This lack of transparency creates serious concerns regarding the credibility of the method.
  - RightShip has moved to an approach that compares vessels within peer groups at a common speed the speed corrected approach or Speed Corrected Intensity (SCI). The common speed is defined by the slowest moving vessel's Vref in the peer group limited by a speed cap with reference to IMO's Fourth Green House Gas study. The common speed (vref) is transparent and available on the RightShip platform.
  - The size score is a standard approach to allow comparison of the design efficiency of a vessel against other vessel and similar size and types resulting in the vessels position within the Peer Group and subsequent rating on an A-E scale. The vessels size score number and resulting position within the bell curve is transparent and available on the platform.
    - The process of thsi SCI calculation was well distributed during the release of the updated GHG Rating in September 2023 with two global webinars hosted by InterCargo as well as RightShip. We continue to provide one on one sessions whenever requested by customers or industry bodies. The webinar content is hosted on RightStore at no cost for anybody to access and understand the working principle of Speed Corrected Intensity and Size score. https://store.rightship.com/Catalog/products/ghg-2-webinar
- RightShip's "GHG Rating" is based on the ship's design. However, it is dynamic, given that older vessels are scrapped and new buildings enter the market. The rating does not take into account the ship's commercial operation.
  - This is correct. An additional point being that it is not just new builds entering the peer group and older vessels being scrapped which affect the rating system, it is also affected by older vessels which retrofit to improve their efficiency. In this way the rating remains relevant and constantly evolves to give the most up to date picture of which vessels have the most potential efficiency relative to one another.

### 3. Inspections

- The process has been improved, there is now a hybrid version available.
  - Thank you for the positive confirmation that the efforts made of late to improve the process have been effective and are welcomed.
- There have been cases where a request has been put in place for a hybrid inspection, the attending inspector has not reviewed the submitted evidence and requested to review previously submitted documentation during the physical inspection. On a few cases, inspectors have rejected the request for a hybrid inspection and insisted in a full physical inspection.
  - We have seen cases where there were incomplete document submissions, and cases
    where information was not provided early enough prior the inspection to allow the
    attending Inspector to review or cases where gaps in documents submitted required
    further review onboard. To assess any specific concern, please contact
    RISQ@rightship.com with details to allow for follow up.
- Results are now more streamlined, and RightShip recently introduced a two-person review of each report. As far it concerns RISQ 3.1 questionnaire, RS should provide the soonest possible the material to support the additional "industry related" requirements. Owners/managers are not convinced of their value. RightShip should make serious efforts to communicate the value these add.
  - Both Regulatory and Industry Standard items are included in the guidance notes section of the RISQ Questionnaire which can be downloaded from the RightShip website. The Industry Standard section has been developed after analysing years worth of deficiencies, findings and incidents. For all sections, reference notes are provided within RightSTORE | RightShip Inspection Ship Questionnaire v3.1
- RightShip has recently introduced a new methodology for crediting the validity of their inspections. It is based on the number of findings as well as their severity. Earlier the validity was always 12 months from the date of inspection. This methodology lacks transparency, as the severity of each finding is only determined during the review of the close-out report by the ship managers and not during the inspection.
  - Please note, validity periods have always varied in length based on the quality of inspection outcome. To ensure consistency in severity gradings this is done by shoreside RightShip staff as opposed to onboard Inspectors who do not have the benefit of handling hundreds of inspection reports annually. We are also able to leverage AI support tools to our shore side inspection team that illustrate similar cases from previous inspections to improve consistency in the severity awarded each time.
- In addition, as closing out the findings are made soonest and definitely within the required window period, we wonder why should a inspection date expire basis the findings? This could lead to considerable commercial impact to owners.
  - The inspection validity is for a maximum of 12 months, with shorter validity periods awarded to vessels with more severe findings to acknowledge the higher risk these vessels present, and shorter timeframe for re-inspection.

- It remains unknown the qualifications and training of RightShip's vetting inspectors as well as their assessors ashore. Therefore, ship managers present their vessels and submit close-out reports to individuals for whom there is essentially no information available as regards to their qualifications.
  - The minimum experience and qualification of RightShip Inspectors as well as the training requirements are published transparently upon the RightShip website. The shore side staff are likewise suitably qualified ex-mariners as with all of our Vetting and Inspection Superintendents. See <u>Inspections TTA Program guidelines2024.pdf</u> for full details.
- Inspectors are not always readily available to carry out inspections during a vessel's port stay, due to personal commitments. This can cause a breach in CPs and create delays in vessel's berthing time allocation.
  - There are cases where inspections are unable to be completed due to unforeseen circumstances such as weather conditions, illness or a change of vessel schedule. Ship managers should plan inspections based on the recommended timeframe to submit a completed inspection request of 14 days, and the minimum timeframe of 7 days as per https://rightship.com/solutions/shipowner/inspections-plan-inspection. This will allow for the Manager and RightShip to plan suitable inspection dates.
- RightShip is inflexible and unfair as regards to the validity of their inspections in cases of unavailability of inspector.
  - RightShip guidance has always been to book early ahead of any requirement for the inspection kicking in to reduce the risk of the safety score being impacted due to lack of inspection completion. The inspection network is wide and growing all the time so we are confident that if booked with minimum 7 days notice or more an inspection can be delivered at suitable ports, subject to the Port/Country being clear of any safety or security concerns.
- Example 1: An inspector was not available in China due to the Lunar Year festivities. Another AUS-CHN round trip would bring the vessel back in China close to the expiry of the vetting window. The vessel could not be fixed because RS did not agree to an extension of the validity of the inspection by 15 days, to accommodate charterers' criteria.
  - Ship managers should plan inspections based on the recommended timeframe to submit a completed inspection request of 14 days, and the minimum timeframe of 7 days as per RightShip Vessel Inspection Planning | Resources to preparare for them. This will allow for the Manager and RightShip to plan suitable inspection dates and ports around periods when national festivities in certain countries may impact options which will be the same for any professional service. Christmas, New Year, Eid al-Fitr and Chinese New Year are examples of such events.
- Example 2: A vessel's inspection due date was in January. Vessel loaded in Brazil in October and then proceeded to Iraq, where she was at anchor for over a month. RightShip was unable conduct inspection in Iraq, resulting in the inspection not being conducted until the due date. This caused the rating of this 20 year old vessel to drop to 2 by default. Despite all appeals to RightShip an extension of the due

date would not be considered. As the vessel could not be fixed in this situation, she was forced to deviate to Sharjah and anchor for this inspection. The inspection went well and the score was restored to 4.

- The safety of RightShip inspectors is paramount. There are cases of inspections requested in unsafe ports / countries that are not possible for this reason. We have restricted unsafe countries from being selected, and have a planned enhancement to limit unsafe ports so that the system promptly advises the requestor to plan for a a suitable port location.
- It is no benefit to anyone for such a circumstance requiring vessel to deviate for a RightShip inspection. If anything, it is huge loss to the environment that the vessel is required to steam miles without doing any productive work.
  - Ship managers should plan inspections based on the recommended timeframe to submit a completed inspection request of 14 days, and the minimum timeframe of 7 days as per RightShip Vessel Inspection Planning | Resources to preparare for them. This will allow for the Manager and RightShip to plan suitable inspection dates and ports. Note Deviation to UAE ports such as Fujairah and Dubai when entering or leaving the Persian Gulf is a common practice for replenishment, which can include crew changes, store handling, and emergency maintenance.
- Is it fair or reasonable for a ship to be immediately downgraded from 4 to 2 just on the basis of the inspection being overdue for a few days despite all efforts to do this inspection on time?
  - The RightShip safety score methodology has been shared with the industry on the technical information page. The vessel's manager has control of the vessel and should plan for inspections well in advance to avoid issues such as berthing or schedule changes, weather events, changes to the ships trade. RightShip strongly urges vessel managers to plan well ahead for inspections, being aware that a lack of valid inspection could impact the commercial employment of the ship.
- As we know, bulk carrier trade is subject to uncertainties of schedule. Can the RightShip inspection not have a window of (say) +/- 2 months from the anniversary date? Having a hard date effectively means that the inspections have to be timed several months in advance, making the effective frequency of inspections once in 10 months instead of once every 12 months?
  - The maximum validity is provided for the inspection with reminders both 60 and 30 days from the maximum validity expiry to assist Managers in planning to have the inspection renewed during that timeframe before expiry. A 30 day extension window is being considered for Safety Score downgrade, however vetting acceptance would not be granted without the completed inspection.
- Inspectors only look at whether the RightShip checklist is followed, and even if the contents of the checklist are met in an alternative way and the regulations are met, they are still counted as issues, which increases the number of issues, shortening the validity period until the next inspection.

- RISQ is the RightShip inspection checklist/questionnaire where the RightShip inspection requirements are compiled. Inspectors are required to validate the standard of shipboard operations based on the RISQ standard. The RISQ requirements, like other risk-based inspections, contain regulatory and industry recommendations. Non-compliance with these requirements is termed as findings. If the vessel's manager receives multiple findings, the question should be asked about the effectiveness of their implementation of the gap analysis between the RISQ, the SMS, and shipboard practices. We have seen multiple cases where ship managers believed the ship was in compliance with RISQ in an alternative way, and the inspection finding was subjective. Upon investigation, we noticed that the vessel's manager had not fully considered the RISQ requirements and either partially implemented the requirements or did not have a correct understanding of them. If the vessel manager strongly believes that the RISQ requirements were fulfilled and the inspector still recorded a finding, or if the finding was subjective, please email <a href="RISQ@RightShip.com">RISQ@RightShip.com</a>, and we will review it.
- Issues around the credibility of the inspectors depending on the geographical area remain.
  - Regardless of their geographical location, inspectors undergo a single training and accreditation process. The aim of the RightShip inspection programme is to ensure uniform and standard inspections by providing a guide to inspection and quality control of the inspection report during the review process, ensuring that inspectors adhere to these requirements. We have an audit process that will gradually audit the pool of RightShip inspectors. For any specific concerns please raise them to RISQ@rightship.com.
- In recent years, the length of stay at each port has been shortened, and as a result, inspections are conducted more frequently, which may affect the usual inspections by class and flag states, internal audits by ship management companies, and the time required for crew change. This may result in crew members being forced to work long hours. (There have been complaints from captains.)
  - The vessel's manager, in consultation with the master, should plan for inspections based on expected activities to plan to limit the impacts on the crew. We also recognise the burden the RightShip Inspection places on an already busy crew and are taking steps to reduce the time required onboard and opportunities for presubmission of data for review ahead of the inspection.
- There appears to be a trend in reducing the validity of the physical inspections from 12 months, without valid grounds and without sufficient justification, examples below;
- Example 1: Inspection validity reduced to 9 months due to an accommodation ladder not properly landed on the wharf and utilizing a short brow gangway, a common practice in the majority of Chinese ports as it is Terminal's policy. Although the vessel did follow all RightShip's recommendations as per RightShip's "Safe Means of Access" insights letter, the reviewer classified this as a high risk finding.

- Accommodation ladders and gangways are designed and tested to be landed on solid surfaces. Suspending these access arrangements goes against their engineering and presents an unacceptable risk to safety, ref AMSA Marine Notice 2023/06. If there was no specific risk assessment and no additional safety measures to mitigate the risk of a person falling due to this incorrect practice, the finding has been correctly categorised as high risk. This categorisation would have resulted in the ship receiving a nine-month validity period, as per the average close-out document. When a type-specific risk assessment is provided and additional safety measures are applied, this kind of finding would be categorised as medium risk.
- We would love to see ICS and other organisations open a dialogue with the ports that operate these unsafe practices to ensure proper and safe means of access are provided at all times. The safe means of access is a joint responsibility between the master and the terminal representative. The ship manager cannot simply transfer this responsibility to the port by stating that it is a common practice in many Chinese ports.
- Example 2: An Inspection Summary highlighted that the presence of one explicit high-risk finding, coupled with the absence of any high-risk equivalents in sections 3 and 13, resulted in the inspection validity being reduced to nine (9) months. However, as per RightShip's Inspection Validity Criteria, the total count of low/medium-risk findings is well below the threshold of twenty-three (23), which would allow for a longer validity period.
  - In this scenario, the close-out document was marked as "Average," which resulted in the inspection not receiving the additional 3 months of validity. Please read the technical information page for more information. <u>Technical Information</u>
- Example 3: An inspection with only 6 findings was given an 8 month & 29 days validity. There were 2 high-risk findings related to overdue maintenance on the main engine components, however those findings were not substantiated since managers and vessel acted in accordance with makers recommendations and evidence of provided extensions and actions taken were presented. Since when PMS overdue items that have been given the proper attention and with Maker's service letters are classified as High-Risk findings?
  - In this specific case, the high-risk findings were initially related to the main engine and auxiliary engine. However, after receiving an email in the RISQ mailbox and reviewing the list of findings by two different senior engineers from the operations team, the overdue maintenance of the main engine, which was a result of the application of CBM after reviewing the provided documents, photographs, and measurements, was marked as a medium risk. The overdue maintenance of the auxiliary engine, due to a lack of spare parts, was marked as a high risk. During the second review process, the over due of routine cleaning of the boiler by over 6 months was also marked as a high risk, resulting in a 9-month validity for the inspection.
  - Condition Monitoring is a technique used to determine when part replacement or
    other corrective action is required, based on the established baseline and operating
    parameters set by the engine manufacturer. This involves frequently monitoring the
    machine and comparing any changes in operating conditions to the baseline. The
    vessel's manager cannot claim compliance with Condition-Based Maintenance if they
    do not follow the requirements and are unable to present objective evidence that the
    manufacturer's recommendations have been followed, which is the case in most

instances we have observed. We are drafting a circular to guide inspectors on how to validate and scrutinise the CBM strategy for the main engine, ensuring that only those not complying with the CBM strategy are recorded as findings.

- RightShip has recently published a standard for calculating validity that states that
  if there are more than four issues in RISQ Section 3 and 13, it will be considered a
  High Risk issue. If we are to consider the risk of issues, wouldn't it be fair to
  consider issues that are not only High but also Low? (For example: Counting two
  or three Low Risk findings as one, findings within RISQ that exceed regulations or
  industry standards as recommendations rather than findings that are based on
  regulations, etc.)
  - The multiple findings in various sections highlight gaps in the SMS compared to the RISQ requirements. Currently, sections 3 (Navigation) and 13 (Machinery Space) are the focus. However, RightShip plans to gradually evolve this requirement to other sections. Please ensure a thorough gap analysis is conducted between the SMS and RISQ, and that the RISQ requirements are implemented in the ship's daily operations.
- If all findings are treated equally regardless of the level of risk, it will be very difficult to fall below the "23 findings" threshold, which is one of the validity calculation standards.
  - The total findings in comparison to the average is only one part of the validity calculation. There is then a review of the number of high risk findings and the validity scaled back accordingly. As such, it is not correct to say all findings are treated equally. Also note today over 55% of the ships are receiving a validity period of 9 to 12 months, suggesting their findings are below the current average. It is not difficult to conclude an inspection with a list of findings fewer than 23; the key, as reiterated, is a proper gap analysis between the RISQ and SMS.
- After submitting a report on corrective actions taken to address the findings, the period until the next inspection (known as validity) is disclosed, but the process of determining this period includes whether the report will be rated Good, Average, or Poor, and this evaluation method is ultimately dependent on the perception of the viewer, which feels unfair.
  - The characteristics of a good close-out are addressed on the technical information page of the RightShip website. If a vessel's manager believes their close-out document meets the requirements but is still marked as other than "Good," please email RISQ@RightShip.com. And we will review the case accordingly.
- In addition, other shipowners are also concerned, "Recently, RightShip inspections, especially the post-inspection judgments, have become stricter. For example, the validity period can be as short as three months.
  - The inspection must be reviewed in isolation, based on the inspection report and the close-out document. If a ship manager believes that the validity and outcome of the inspection do not align with the validity matrix methodology, please email RISQ@rightship.com.

- The inspection methods used by RightShip inspectors are not consistent, and there seems to be a large variation.
  - Inspectors undergo a single training and accreditation process as per the guidelines
    previously referenced. The accreditation program is to ensure uniform and standard
    inspections by providing a guide to inspection and quality control of the inspection
    report during the review process, ensuring that inspectors adhere to these
    requirements.
- There are also concerns that expanding the scope of inspections to older ships will lead to a shortage of inspectors, leading to even lower-quality inspectors being appointed.
  - Fears of lower grade inspectors being sent onboard due to shortages are unfounded as all RightShip Inspectors undergo the same training, examination and accreditation program and must meet strict minimum experience and qualifications criteria. The trained, assessed and accredited network has been expanded considerably over the last 12 months and now stands at close to 200 inspectors globally with more scheduled to be added to the network over the course of 2025 and 2026 to keep pace with the increased demand. The key was to start this process early to ensure quality and consistency of trained and accredited inspectors was not impacted. Technical Information
- The validity of reports is determined by RightShip based on predefined criteria and the risk perception of RightShip, which is not very clear to the owners. More transparency is needed.
  - We recommend that Managers review the technical information page regarding the validity matrix where a full and transparent explanation is provided. <u>Technical</u> <u>Information</u>
- The number of observations (including High Risk and Showstopper observations) significantly reduces report validity. As reported within the industry, inspectors tend to issue a higher number of observations intentionally to decrease validity, thereby increasing the number of inspections to their advantage. The short validity period of inspections (only three months) sometimes renders them practically invalid.
  - Findings should be objective, linked to evidence and RISQ guidance and based on the guide to inspection and industry recommendations. If the Manager believes a finding does not meet the criteria, please email <a href="RISQ@RightShip.com">RISQ@RightShip.com</a> with the supporting material, and we will investigate. A proper gap analysis between the SMS and the RISQ will assist the ship manager in achieving a satisfactory inspection result.
- Reported that owners who operate both tankers and bulk carriers with the same company ISM system commented that while their tankers are frequently surveyed and pass with few problems this is not the case with their bulk carriers which are inspected by RightShip surveyors, which also appears inconsistent.

- Tankers passing SIRE inspections with few issues can be attributed to vessel preparedness and crew familiarity as inspections are conducted regularly every four to six months. In the Dry Bulk sector we do see some Managers achieve strong results; one example has had 17 RISQ Inspections in the last 12 months on vessels over 14 years old, with all receiving 12 months validity with an average of 12.2 findings well below the sector average of 23.
- Concern raised regarding safety score consistency and what is considered to be large variations in interpretations for identical deficiencies. It seems that RightShip don't have sufficiently robust instructions for ship inspection surveyors to apply deficiencies in an even handed manner. Owners are particularly concerned that older, well maintained, ships are penalised more than younger vessels for the same defects.
  - This comment appears to relate to RightShip Inspections as it references ship inspection surveyor standards; however, it also references safety score consistency regarding deficiencies. Currently, RightShip Inspection deficiencies do not affect the Safety Score in any way, so we are unable to address this question. We encourage the submitter to contact us at <a href="RISQ@rightship.com">RISQ@rightship.com</a> to clarify the specifics of this question so we can provide an appropriate response.
- Older vessels are often perceived as biased and may receive a large number of deficiencies.
  - Currently, RightShip conducts physical inspections primarily on vessels older than 14 years, with most inspections occurring for vessels aged 14-18 years. Within this age group, performance varies; however, a significant number of findings are often identified during the first RightShip Inspection of 14-year-old vessels. To provide a complete response, it is necessary to understand the submitter's definition of "older vessels."

#### 4. Port State Control (PSC)

- A vessel's score decreases if PSC inspections with no deficiencies are not recorded in the system within the last two or more years. This is unfair, as PSC inspection arrangements are beyond the control of the vessel operator.
  - A prototype is currently being analysed which inserts the DOC's overall PSC Performance into gaps in the Vessels inspection history as opposed to inserting the Global PSC Average which is how the model operates today. We will update the market on the outcome of this analysis and whether the change to the model in this way is viable.
- A lack of PSC inspections should not be the criteria for calculating the vessel safety score. We have had instances of Safety Score being lowered as vessel has not had a RightShip inspection for a while. For example, Vessels calling Australia where the AMSA PSC is not regular as vessels are not high risk affects the safety score.
  - See above response on concept currently being tested that would address this issue.
- Concern also expressed that the RightShip system seems to ignore PSC inspections where there are no deficiencies. This is not fair and gives the impression that

RightShip seems more interested in finding faults with ships that consistently score zero deficiencies in PSC inspections, which are ignored, and then requesting a follow up survey after 2-3mths. Our members complain but are usually ignored and have to accept another survey at US\$5000 to US\$10,000 depending on location etc.

- Zero deficiency PSC are not ignored by RightShip and are an important part of the Safety Score calculation. The confusion may come in that we do not require an operator to submit any documentation to us for a zero deficiency PSC as we receive the details via an automated feed and as such if submitted to us we would reply reminding that there is no need to send in future as it consumes our Vetting Superintendent time responding which we would prefer was used in speeding up our response to PSC's with deficiencies.
- A very important issue that remains unresolved despite RightShip's assurance that the point is valid, is related to taking over a second hand vessel with a negative PSC sub-score. This negative sub-score carries over to the next owner/manager, whereas it should not. As PSC performance is manager/system/crew related, when owner/manager changes, the effect of historical data should be eliminated.
  - We are aware of this feedback, but have been unable to find a solution to date that would preserve the governance of the model. For example, if changing DOC cleared all performance issues on a vessel and restored it to 5/5 then we open up the risk of the rating being manipulated whenever an adverse event occurs which would undermine trust in it with Charterers. Likewise, issues surfacing in some PSC deficiencies may not immediately resolve themselves with a change of DOC and Crew, for example lack of maintenance will take time to correct. We welcome suggestions of a fair and robust solution to this problem for consideration.

# 5. Root Cause Analysis

- Reported inconsistency in the acceptance of root cause analysis reports with little feedback provided. One ship on long term charter to Rio Tinto brought this up this with Rio Tinto, who reviewed the root cause analysis, agreed with it and countered RightShip's view after which the issue was closed.
  - We strive to achieve consistency within all closeout submissions reviews. Training is provided to all RightShip team members involved in the review of closeout submissions, which includes evaluation of Root Cause Analysis. This training is reinforced with ongoing coaching, team discussions of specific cases and peer reviews, however we acknowledge that there will still be occasions when different personnel within RightShip may arrive at different outcomes. This can be due to a number of factors such as operational experiences, actual/perceived risk and different levels of training.
  - We know that Root Cause Analysis is often not as mature or as detailed as it could be and this is an area where the shipping industry still has improvements to make, operators are always encouraged to refer to <a href="https://rightship.com/insights/safety-insights-paper-root-causes-and-preventive-actions">https://rightship.com/insights/safety-insights-paper-root-causes-and-preventive-actions</a> for guidance on what represents best practice.

#### 6. Terminals

- Terminals & shippers, although keen to release their own set of rules and vet vessels and owners/managers, have not so far published their risk appetite and are not transparent with incidents under their jurisdiction.
  - RightShip are unable to add further to this as we are neither a Terminal nor a Shipper.
- Furthermore, there is no official body that carries out inspections on the terminal side to verify suitability of terminals for the size & type of vessels that are accommodated.
  - Noted.
- A RightShip platform option where the vessel or managers can submit their experience during their stay at port, probably with supporting evidence could be a great tool. This could be used anonymously, and data could be collected on repeated feedback for a terminal that is unsafe. This could be then connected to a Terminal Safety Score and drive the efforts of all towards a safer operational environment.
  - This is an interesting concept that will be passed onto our Product Development team for exploration.
- During a review of an incident or Terminal feedback complaint there should also be consideration as to what extent the conditions at the terminal are contributing to the incident or unsafe situation.
  - RightShip takes a balanced approach when reviewing an incident or terminal feedback report based on all the facts and circumstances of each case. Our team are aware of design and operational challenges presented at certain ports/terminals and how they can contribute to negative events. This will be taken into account when closing an item to the satisfaction of RightShip, but we cannot guarantee the reporting Port or Terminal will take the same approach as they are free to apply additional scrutiny as they deem fit.

#### 7. Research

- Have RightShip considered producing research reports similar to OCIMF, who have produced many really excellent reports over the years on many aspects of ship operations, particularly assuming RightShip have a large amount of data, which could be leveraged to produce useful research that is helpful for the industry as a whole?
  - RightShip has produced research and insights to support the industry, leveraging our extensive data to highlight key trends and challenges. For example, we have published reports on <u>Accelerating Maritime Decarbonisation Through Energy Efficiency, Enhancing Dry Bulk Vessel Performance Through Regular Inspections, RightShip Inspections Insights, and many more, providing actionable intelligence for shipowners, managers, and charterers.
    </u>
  - While we recognise the value of in-depth research, our focus remains on producing research that enables us to drive meaningful change and advocate for better outcomes within our sphere of influence. For example, to further incentivise the adoption of technologies like PBCF and advance low friction coatings, RightShip established a new crediting mechanism within our GHG Rating framework. By

- combining data insights, standards and digital tools, we aim to create practical, scalable solutions that drive safety, sustainability, and efficiency across global supply chains.
- That said, we will continue to explore opportunities for research reports based on business priorities and industry needs, ensuring that our insights remain both relevant and impactful.

# 8. DryBMS

- The system is expensive compared to TMSA, and the industry is currently taking a wait-and-see approach.
  - It is recognised that signing up for DBCE and submitting a DryBMS Self-Assessment is more expensive than TMSA. It should be noted that OCIMF has been established for over 50 years, is supported by an extensive collection of oil companies, and has several other revenue streams which have allowed them to develop and maintain programs such as TMSA for a modest fee. DBCE is an independent not-for-profit organisation focused on the administration, development, and governance of DryBMS. As DBCE becomes more established over time, it is anticipated that costs may decrease.
- Does DryBMS have any impact on Safety Score?
  - No, a DryBMS Self-Assessment (or a TMSA) has no impact today on a vessels Safety Score (or DOC Subscore). We are hearing interest in this from the market and are open to discussing with DBCE and Owners/Managers how this important information could be incorporated into vessel Safety Score and/or DOC Subscore. At this time, RightShip continues to encourage dry bulk vessel operators to register with DBCE and complete a DryBMS Self-Assessment if they have not already done so.
- Is there any thoughts of introducing RightShip or DBCE Management audits in the calculation of a DoC score?
  - While this may happen at some point in the future this is not part of current discussions. RightShip recognise real benefit of operators completing a DryBMS (or TMSA) Self-Assessment and then having this validated by a 3<sup>rd</sup> party. Done properly, this will massively support operators on their drive for improvement in their flawless and efficient operations.