

CONFERENCE NOTES

Capital Link's 5th Annual Shipping & Offshore CSR Forum – A Great Success **23+ Shipping Companies Discuss Operational Excellence in Shipping**



The **5th Annual Capital Link: Shipping & Offshore CSR Forum** that took place on **Tuesday, November 3, 2015 in London**, was once more successfully hosted at Square Mile's One Moorgate Place and was attended by almost 400 stakeholders from the maritime industry including among others Ship Managers, Ship-owners, Ship Operators, Shipbrokers, Commercial and Investment Bankers, Charterers, Classification Societies, Commodity and Energy Traders, Environmental Maritime Organizations, Industry Associations, Government and Non-Governmental Organizations, Financial and Trade Media, Institutional Investors, P&I Executives, Lawyers and Insurers, Market Analysts and Consultants, Private Equity Firms, offshore industry entities, as well as by numerous Shipping students and graduates from Cass Business School.

The annual maritime CSR Forum that has established itself as one of the key events that bring together the international maritime community in London, was organised by Capital Link Inc., in cooperation with UK Trade & Investment (UKTI). A very powerful and interesting agenda covering all major industry topics and key issues was developed in depth by senior executives from 23 leading shipping and offshore companies, 3 classifications societies, charterers, financiers and other major industry participants.

The Keynote Speaker and Honoree receiving the 2015 Capital Link Maritime CSR Award was Dr. Nikos Tsakos, Chairman of INTERTANKO and CEO of the NYSE listed Tsakos Energy Navigation.

The Forum's purpose was to bring together leading shipping and offshore company executives as well as charterers and financiers to discuss how the implementation of **Best Industry Practices (BIP)** translates into tangible commercial, operational and financial competitive advantages. The Forum explored BIP across several areas such as fleet management, technological innovation, crewing, energy efficiency and the environment, safety and security. Furthermore, the demand for BIP by charterers and the response and initiatives by shipping and offshore companies was discussed in depth. At the same time, the 5TH Annual Capital Link CSR Forum aimed to showcase that Sustainability and Corporate Social Responsibility are not abstract theoretical concepts but have tangible practical implications. Besides, given greater industry sophistication, awareness, and expectations, CSR becomes an increasingly important issue that companies cannot afford to ignore.

Capital Link's objective is to promote the ongoing development of a platform that raises the visibility of BIP & CSR in the shipping and offshore industries and discusses trends and developments in these

areas on an annual basis. The emphasis has been on BIP and Operational Excellence, something that leading shipping and offshore companies practice on a daily basis.



Nicolas Bornozis (President & CEO, Capital Link Inc.) took the podium initially and welcomed all attendees. He thanked all guests, speakers and sponsors for joining the Forum and pointed out that although this event was more industry-oriented – in comparison to the 8TH Annual Capital Link: Shipping, Marine Services & Offshore Forum that was held a month ago at the same venue, he was delighted to see the support of many organizations and the presence of 23 leading companies from the sector. Furthermore, he thanked **Professor Costas Th. Grammenos** for his contribution to

the Forum as well as the numerous students and graduates from Cass Business School that joined the extended maritime family with the purpose to learn and to participate actively in the present and future of the maritime industry. Before giving the floor to the first speaker, Mr. Bornozis offered a hint of what would follow by arguing that in a low-freight revenue environment where earnings cannot cover operational costs, a lot of people are cutting corners, yet those who follow best industry practises do potentially enjoy lower cost of capital, have better class charterers and engage in longer chartering agreements.

Guy Campbell (Chairman, The Baltic Exchange) started off the Forum with the Opening Remarks. Mr. Campbell mentioned among other things in his remarks that: “We don’t read about record highs in my sector [nowadays]. We have more than 600 members at Baltic Exchange, our members are responsible for the greatest share of dry bulk and our daily freight indices are used by the market. Whereas the tanker market are enjoying a good market, the average daily earnings for the dry bulk sector ranged between \$5,500-\$7,300 during 2015, regardless of ship size. We have to globally standardize the best industry practices. As a 25-year veteran in the sector, I have witnessed a lot of hypocrisy. MIFID II regulation has put at risk a lot of business that might leave the EU but we at Baltic Exchange have done a lot to stop this trend.. I am a firm believer in understanding and challenging the Status Quo. Enforcing change for the benefit of society which for our industry means doing the right thing to improve the safety for crews, ships and their cargo. This also means understanding and improving upon the environmental impact to our planet. But for me this also requires standardizing, globally, those best industry practices to achieve those goals you will be exploring in detail throughout today.



I simply worry that a failure to standardize these practices drives a competitive disadvantage fuelled by a hunger for cheapest, not necessarily the best freight, and I am afraid to say that I have experienced, as a 25 year veteran in dry cargo broking, chartering, trading and now working for a ship owner, too many examples of dare I say hypocrisy, when push comes to shove in a market driven by the bottom line.

The regulatory efforts enforced by the EU on the freight derivatives sector by Mifid2 did, in our opinion risk a flight to non EU regulated markets. We believe that has been averted partly due to Baltic Exchange intervention.



You have here today a far broader church of market participants as audience. A well thought agenda and some excellent moderators, panellists and presenters. Use the day, challenge the Status Quo, but think hard on the consequence of any compromise on implementation."

Beyond Regulatory Requirements - New Challenges & Industry Response



Moderator:

Peter Hinchliffe, Secretary General - International Chamber of Shipping (ICS)

Panellists:

Fred Kenney, Legal Director – International Maritime Organization (IMO)

Michael Lund, Deputy Secretary General – BIMCO

Haralambos J. Fafalios, Chairman of the Greek Shipping Co-operation Committee, Director – Fafalios Shipping

Dee Taylor, Partner - Liskow and Lewis

The **first panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** discussed about the development of regulatory requirements and of initiatives in response, by the various parties involved in the maritime industry. It was moderated by **Peter Hinchliffe** (Secretary General - International Chamber of Shipping). **Mr. Hinchliffe**, mentioned briefly that: "Shipping is an extremely highly regulated industry. We have a lot of pending regulation. The issue is how companies can go beyond the difficult regulatory environment."

Fred Kenney (Legal Director, International Maritime Organization):

"The title of this particular panel is interesting. A lot of regulatory challenges are ahead of us. But a lot of this regulatory regime is global and this is what we do at IMO. Where are we right now? We are at crossroads. The global system is largely complete but we have the Ballast Water Management Convention, safety of fishing vessels, hazardous substances and pollution, compensation and liability regime that is being put up. The threat of unilateral action could undermine the globality that IMO tries to put in place so as to create a level playing field. This is the greatest challenge for IMO. Every 7 years, IMO member states will be audited in the future. From the voluntary implementation we have seen thus far several gaps, especially in developing countries but we have to insist in implementation."





*Mr. Michael Lund, Deputy Secretary
General, BIMCO*

Michael Lund (Deputy Secretary General, BIMCO): "The regulatory development is getting more complicated. It is a tough market for us. The regulatory framework is developing fast. It is really, really important to get better regulation. Good regulation is being enforced; for example, sulphur rules in the ECAs recently has worked quite well. Why? Because the rules are quite clear and the companies have a choice: you can opt for LNG or not. It is also important that conventions should be implemented. In terms of

environmental and efficiency management, we have developed a framework because it has a lot of impact for many companies."

Haralambos J. Fafalios (Chairman of the Greek Shipping Co-operation Committee, Director, Fafalios Shipping): "From the angle of the ship-owner: CSR obviously is needed. We have much, too much regulation, some good some bad. For example, ballast water treatment regulation is quite ridiculous and badly thought out. I wonder how it will be implemented-tier III standards- not many shipyards are in a position to properly deal with that. We have a lot of existing IMO issues which cause loss of life: The issue of coal and

we are losing members of crews and ships are very important issues. Nothing is being done about it while we go about more popular ideas that are not well-thought out. On CSR and the future: what we need is higher quality of crew training, vessel maintenance and higher quality in vessels in the first place. On market rewards for BIP/CSR: there are no rewards unfortunately, for these do not exist – as opposed to the tanker industry in the past."



*Mr. Haralambos J. Fafalios, Chairman of
the Greek Shipping Co-operation
Committee, Director, Fafalios Shipping*



*Mrs. Dee Taylor, Partner,
Liskow and Lewis*

Dee Taylor (Partner, Liskow and Lewis): "What is important is levelling the playing field. We all know that there is increased regulation & enforcement (in the US). We have an increased emphasis on going after, prosecuting individuals, supervisors and managers, not just companies. This is the change we have seen lately. In my long experience, I have seen that many companies have complied; however, still many companies break the Law. Now I am a criminal defence lawyer, before I was a US criminal attorney.

One or two individuals in the companies often do not get the message and so many companies have to spread the message even to the lowest officers. An example: 30-year experienced chief engineer circumventing company corporate citizenship because he thinks that things should be done like they were done 30 years ago. We need to continue to have this level playing field for all."

[To download presentations from this forum, please click here](#)



Best Industry Practices as a Financial Advantage



Moderator:

Doug Johnston, Partner, Climate Change and Sustainability Services – EY

Panellists:

Evan Harvey, Director of Corporate Responsibility – NASDAQ

Joseph E.M. Hughes, Chairman & CEO – Shipowners Claims Bureau

Paul Stevens, Chief Financial Officer - Navig8 Europe Ltd.

Vassilios Maroulis, Shipping, Logistics & Offshore Director – Citibank N.A.

The **second panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** focussed on the ways through which the consistent implementation of CSR practices can lower the cost of capital bank financing for shipping companies, improve stock market valuations and decrease insurance premiums. Panel moderator **Doug Johnston** (Partner, Climate Change and Sustainability Services – EY) opened the discussion by saying that “We are here today to understand the perspectives of financial stakeholders. Improved reputation, etc. is an outcome of CSR but what are – if they exist – the commercial benefits of CSR in shipping. Our panellists bring a variety of perspectives.”

“As an investor, how do you look at CSR?”



Evan Harvey (Director of Corporate Responsibility, NASDAQ): “CSR has always been useful for investors who are looking for other leading indicators apart from financial. Operational efficiency is important. As the old saying goes, “you always get the investors you deserve.” You have to go beyond the short term. In the last years, we have seen a lot of interest from mainline investors in CSR performance of companies. There are a lot of studies out there that tie performance to CSR – as opposed to financials – studies about talent retention.”

“From an insurer’s perspective, what are you looking for -in terms of insurance risk - that CSR is related?”

Joseph E.M. Hughes (Chairman & CEO, Shipowners Claims Bureau): “Flag state regulation and ICM/ISPS regulation - shipowners have to comply. If you adopt the Darwinian approach, those who have excellent CSR will reflect over time in terms of more competitive ratings. P&I Clubs will attract better members if



they have owners who are committed to high levels of transparency and to CSR. If a member has a high CSR score that will give him a better benefit of doubt from other owners in the P&I Club”.

“Vassilis, you are representing the banking sector: how do banks engage with the CSR, what are the benefits and your motivation to track and reward good CSR?”



Mr. Vassilios Maroulis, Shipping, Logistics
& Offshore Director, Citibank N.A.

Vassilios Maroulis (Shipping, Logistics & Offshore Director, Citibank N.A.): “There are multiple aspects which are important, many elements of CSR, it is not just cheaper pricing in terms of debt. For shipping, it is extremely important, it grants you access to the capital of the bank and if we are comfortable with your CSR score, it is important both from a credit score perspective as well as the reputational aspect. Because if suddenly something goes wrong, the bank is hurt in both aspects. More favourable financial arrangements

for super-achievers in CSR? “Yes” is the easy answer, but it depends. From a credit perspective, if a bank has doubts about operational excellence, it can have an impact, but it is more fundamental than that, it is not just about 5-10bps.”

“Paul, what is your perspective?”

Paul Stevens (Chief Financial Officer, Navig8 Europe Ltd): CSR is implicit – around risk mitigation, around commercial relationships – and explicit – ways in which you can improve the operation of your fleet so as to get commercial advantage. If you are looking in spreadsheet terms, CSR might touch upon a number of issues beyond profit margin enhancement “the long-term risk mitigation”. We operate in an incredibly volatile industry. Yes, retention of staff, continuity, cultural development but other industries, how do they cope? Industries that are equally volatile? Yes, if you do not have an incident for an x number of years, you might see some small financial advantage in terms of a lower premium. Banks are questioning CSR policies lately but we have not seen this translating into financial benefits. It is more about access to capital. How do you get a benefit from extra compliance? This is an issue to be seen.”



Mr. Paul Stevens, Chief Financial Officer,
Navig8 Europe Ltd.

Technological Innovation – For Energy Efficiency



Dr. Abdul Rahim, Managing Director,
Europe & Africa, Class NK

After the end of the second panel discussion, **Dr. Abdul Rahim** (Managing Director, Europe & Africa, ClassNK) presented some of the latest energy efficiency-related technological innovations in the maritime sector.

Below are some of the key points of **Dr. Rahim’s** presentation:

- Since 2009, we have changed course at ClassNK by bringing industry, academia and government together. We are now supporting the development of the industry and promoting new research strategies by joining forces with all sectors of the maritime community.



- Since the program's inception in 2009: 221 projects completed; 114 projects in progress; 48 projects in planning.
- Japanese GHG Reduction Program involves 22 projects, 12 yards, 7 owners, 11 makers, ClassNK, Government, NPOs. The result: new ECO ships design and technology; New engines (6-10% savings); Hybrid T/C (2-3% savings); Adv. LF paint (6-10% savings); Air lubrication (3-13% savings).
- A snapshot of just a few of the projects that ClassNK has been working on:
 - a. Tsubasa Hybrid Tugboat. Objective: reduce fuel consumption and CO₂ emissions by 20% compared to equivalent conventional systems in tugboats. Partners: Niigata Power Systems, NYK LINE, ClassNK. Timeframe: August 2011 – July 2013. Process: Japan's first hybrid propulsion system was developed combining main engine, AUX generator and lithium-ion batteries. Outcomes: we achieved our objective (more than 20% reduction).
 - b. Lithium Battery Research. Objective: to assess and verify the safe use of lithium batteries on vessels. Partners: National Maritime Research Institute, Uzushio Electric Co., Ltd., ClassNK. Timeframe: August 2011 – July 2013. Process: 18 kinds of lithium battery cells underwent various testing in controlled conditions. Outcomes: almost all of the lithium batteries are safe to use onboard (based on these results, the lithium battery system is currently tested onboard).
 - c. Fuel Emulsion. Objective: to verify the potential of water mixed fuel in reducing NO_x emissions to meet IMO Tier III regulations. Partners: Nanofuel Co. Ltd., Maritime Innovation Japan Corporation (MIJAC), ClassNK. Timeframe: December 2014 – Ongoing. Process: fuel oil was mixed with water at varying ratios to lower reaction temperature and suppress NO_x generation. Outcomes: fundamental combustion tests proved that it is possible to reduce NO_x emissions to regulated levels through emulsion only; prevention of afterburning and smoke creation (currently under further verifications on heavy oil cases).
 - d. Power Assist Sail. Objective: to develop supplementary propulsion force for the vessel by using the lift force of crosswinds, similar to the wings of an airplane, and drag from tailwinds. Partners: MES, MOL, Akishima Laboratory, ClassNK. Timeframe: June 2012 – January 2014. Process: prototype for real ship was designed and produced. Simulation tests were carried out on a 45,000gt tanker (Tokyo-Seattle voyage). Outcomes: feasibilities were confirmed for operation ability, durability, reduction in CO₂ (to be developed further for future application).
 - e. CFRP Propeller. Objective: to design a propeller made from composite materials and improve operational efficiency by 3-4%. Partners: Nakashima Propeller, NYK, MTI, Imabari Shipbuilding, The University of Tokyo, NMRI, ClassNK. Timeframe: June 2012 – Ongoing. Process: Nakashima Propeller designed a CFRP propeller. CFRP is known for its lightness, flexibility and formability. ClassNK then conducted testing and granted approval. Outcomes: propulsive efficiency on the M/V Taito Maru improved by 6%.
 - f. LH₂ Transport Risk Assessment. Objective: to increase the safety of transporting liquid hydrogen to the same level as LNG (note: LH₂ is highly volatile). Partners: Kawasaki Heavy Industries, Iwatani Corporation, K-Line, ClassNK. Timeframe: October 2011 – Ongoing. Process: comprehensive risk assessment of LH₂ transportation was performed based on hazard identification study and analysis (HAZID); CFD model was created and compared with experimental values to evaluate H₂ leak and diffusion. Outcomes: tests confirmed that the risk of LH₂ transportation can be minimized to the same extent as that of LNG. We are currently working on further research assuming practical operation such as loading/unloading.



- g. Hydrogen-admixture to natural gas for gas engines. Objective: examine the transferability of academic studies and gain new knowledge for end users and engine developers. Partners: Technische Universität München (TUM), Kyushu University, ClassNK. Timeframe: September 2014 – March 2015. Process: experiments have been carried out using single cylinder research gas engine on the lean-burn type gas engine and gas injection (GI) type (to be tested on varying H2 ratios for further CO2 reduction).
- h. ClassNK CMAXS. Objective: optimize onboard machinery and engine maintenance. Partners: Diesel United, Daihatsu Diesel, Makita, Mitsui, ClassNK. Timeframe: 2012 – Ongoing. Process: real-time condition data is collected from sensors via data logger on board then analysed and translated into valuable recommendations. Outcomes: ClassNK CMAXS detects potential damage, minimizes downtime, reduces repairs and simplifies our surveys. Current situation: huge amounts of data are now available through software solutions such as ClassNK CMAXS. Maximizing the potential of this data will be vital for optimizing operations.
- At ClassNK, we are developing the industry's first data center. It will enable makers to develop improved products and provide more sophisticated maintenance services.

Best Industry Practices - Energy Efficiency & Environment



Moderator:

Dr. John Kokarakis, Vice President, Technology & Business Development, Hellenic, Black Sea Region & Middle East - Bureau Veritas

Panellists:

Marcos Vassilikos, Managing Director – Eurobulk

Hans Noren, Managing Director - Stena (UK) Ltd

Theo G. Baltatzis, General Manager – Technomar Shipping Inc. Athens

George Thanopoulos, Technical Manager Bulk Carriers – Neda Maritime Agency Co. Ltd

The **third panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** focused mainly on environmental issues including legislation, ballast water management, US and IMO updates, emissions control and new technologies.

Panel **moderator Dr. John Kokarakis** (Vice President, Technology & Business Development, Hellenic, Black Sea Region & Middle East - Bureau Veritas) initiated the discussion by noticing that: “Our days have been marked by a tsunami of environmental regulations that is linked to the 2°C-related regulations. These regulations such as the low sulphur are motivating new technologies. Our target is to build and run ecological and economical ships. We shoot two birds with one shot. Our panel has applied these principles and ideas in their companies and they will tell us how their pioneering, very well known for advanced technologies companies implemented these.”

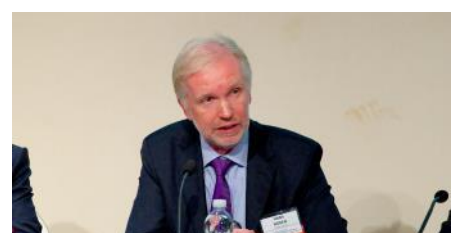


Mr. Marcos Vassilikos, Managing Director,
Eurobulk

Marcos Vassilikos (Managing Director, Eurobulk): "The reduction of greenhouse gases is a challenge that will have to be tackled by our industry sooner rather than later. The European parliament has already voted for a number of laws, and there is a time framework for these laws to be implemented. These are laws concerning ships calling at European ports but could become global. The regulation: on 29/4/2015 European Parliament voted regulation 2015/757, for the accurate monitoring, reporting and verification of carbon dioxide (CO₂) emissions and of other relevant information from

ships arriving at, within or departing from European ports. Timeframe: 1/7/2015: regulation coming into force; 31/8/2017: monitoring plan shall be submitted to the verifiers for each of their ships; 1/1/2018: monitor CO₂ emissions for each ship; from 2019, by 30 April of each year, companies shall submit to the Commission and to the authorities of the flag States concerned an emission report. Target: the reduction of CO₂ emissions from maritime transport in a cost effective manner (target for 2% reduction of CO₂ emissions by end of 2030 as per EU)- this is considered to be a low target by many participants - The shipping CO₂ emissions amount to 4% of the total emissions - this might not sound as a large 'contribution' by shipping but the actual number is quite big. I expect a second phase of reductions. Certain impacts: financial (cost for implementation); environmental (measurable fuel quantity per unit cargo shipped, additional control on fuel quality used within special areas). Potential impacts that will certainly change our industry will change the size of ships, make ECO ships more important, promote alternative fuels such as LNG that produces less emissions, or promote the introduction of new technologies: financial (taxes on emissions); commercial (redefining trading routes and patterns, less ballast voyages); design (alternate fuels, renewable energy usage on board, alteration on size of the vessels). Considerations: penalize vessels and emissions; disclosure of emissions produced; difference in accuracy between monitoring methods; doubtful results on emission reduction. A last comment: imposing a tax on bunkers is a more direct method to tackle the problem it will make transportation more expensive - it has worked in the past - it will induce the companies to slow steam."

Hans Noren (Managing Director, Stena (UK) Ltd): "Stena is the first company in the world that applied methanol in their ships and a family business. CSR is at the top of our agenda. We are diversified - quite large in the recycling business. Some company facts: capital employed: \$13 billion; people employed: 19,000; 176 vessels employed (ferries, Ropax, Roro, tankers, LNG); 96 wind turbines owned; 4 ultra-deep drilling vessels owned; real estate: 25,000 residential and commercial units; recycling business: 220 locations in 11 countries, 5 billion tons waste recycled. As Marcos mentioned, the amount of shipping emissions is just 4% but shipping conducts 90% of global trade, so if we can reduce the emissions the entire world will benefit. In Stena we are cooperating with engine manufacturers to see where the future of fuels lies. Our interest in methanol was triggered by the new SECA regulations - 0.1% sulphur emissions - It is a big challenge for us how to be able to provide transportation services in a competitive way for our customers. We discussed about many things and we came up with methanol. We worked together with an engine manufacturer, Methanex. This is a new technology -through trial and error - two steps forward one step back often, one step forward two steps back but this is the future".



Mr. Hans Noren, Managing Director,
Stena (UK) Ltd



*Mr. Theo G. Baltatzis, General Manager,
Technomar Shipping Inc. Athens*

Theo G. Baltatzis (General Manager, Technomar Shipping Inc. Athens): "My presentation is about the power performance of the engine and the associated challenges for owners. Due to the actual cost of model testing, we do not have a full picture drawn. A lot of numerical tools have been developed by designers; we hear invariably that these guys use 5-15 million elements, assumptions, mathematical indices. These mathematical indices make little sense. Owners need to know simple explicit description before building. Similar design is being put on similar tankers in Europe

and produced 5% difference. Construction and trials: coating technology, low friction paint gives 4-6% improvement. After sea trials: ship trials, when we do them we come back and say we have achieved performance, we have achieved actually nothing, and we need an operating envelope. During service: owners have the only option to create their RnD departments - working on the performance of their ships- at least we are working hard on achieving good performance even though we have not participated in the initial design of the ship. Energy-saving devices added afterwards, we presented some of them 30 years ago as students, designing in my 30 years of experience I have seen only few owners are quite sceptical. Also, the software that promises savings remains to be back tested."

George Thanopoulos (Technical Manager Bulk Carriers, Neda Maritime Agency Co. Ltd): Responding to the moderator's comment that 'It is an axiom that you cannot reduce what you do not count': it is a structure approach with the aim to achieve efficiency improvement. Sea trial data - the system allows for evaluation methods to increase efficiency. Evaluations of low friction coatings with vessels have similar trading patterns. Three main ways to guarantee the success of performance monitoring systems: involvement of members and crew on-board, real-time alerts, apk alerts that can be used on mobile applications etc., shaft power, fuel oil consumption, and energy evaluation tool."



*Mr. George Thanopoulos, Technical Manager
Bulk Carriers, Neda Maritime Agency Co. Ltd*

Best Industry Practices - The Human Element & Human Resources



*Mr. David Scott, Senior Consultant,
Lloyd's Register Ltd*



*Panel: Best Industry Practices - The
Human Element & Human Resources*

Moderator:

David Scott, Senior Consultant - Lloyd's Register

Panellists:

Stylianos I. Sifakakos COO – Product Shipping & Trading SA

Elias J. Ladas, HR & Training Manager – Danaos Shipping Co. Ltd

Norman Schmiedl, Crewing Director – Columbia Shipmanagement



The **fourth panel of the 5TH Annual Capital Link: Shipping & Offshore CSR Forum** focussed on issues related to the management of human resources, crewing, training, retention, etc. Furthermore, it discussed how to address Corporate Social Responsibility objectives by improving human performance and wellbeing through user-centred vessel design and what the industry needs to do to support this integrated approach. Panel moderator **David Scott** (Senior Consultant - Lloyd's Register) opened the discussion by arguing that: "We spoke earlier about the different challenges, the different technologies but also the human element is important to retain the right people. We have a diverse population in our environment. The skills you have to bring and the competencies required on-board for the vessels to function properly. Technical, but also non-technical competencies need to identify what the best people are. Looking and supporting the members of the team. These are some of my main points, from my perspective."

Stylianos I. Sifakas (COO, Product Shipping & Trading SA): "My Company manages more than 100 ships. They have to care for the vessel and for their crew. In return we have to make them feel at home on-board. There is internet, games etc., but it is difficult to make them feel at home. There exist challenging cultural conditions: Filipino cook, Greek crew wanting to eat bean soup, etc. Challenging weather conditions and technical conditions are also problems. We have to do the absolute best from our part. Even the most confident people do mistakes, and actually they do serious mistakes. There are different mentalities, different nationalities, and different competencies. The human element is the most dangerous element to be involved."



Elias J. Ladas (HR & Training Manager, Danaos Shipping Co. Ltd):
"We cultivate cultural adaptation and cultural acceptance by:
Personal Interviews with our Crew Briefings and Debriefings with the DPA and the departmental managers Visits on board by our SQE, TECH and HR+T department Seafarer Survey on cultural understanding
We believe that strong relationships and trust is the key to strong teams:

- Annual Conferences in the Piraeus premises
- The Danship News : 2 issues yearly
- News sent to vessels three times p/week in 4 languages
- Children Parties and Art Competitions
- Athletics

We grow together:

- 4 offices: Russia, Ukraine, Korea, Zanzibar
- Visits by our HR+T team (2 times p. year)
- Personal Interviews with our personnel abroad

PRIMARY AIM for trainings is FOSTERING the bonds BETWEEN our People - We invest mostly in In-house Training :

In 2015:

- 20 seminars for seafarers
- 32 seminars for in- house employees



- Specific on multicultural teams
- MRM seminar: 7 times
- Multicultural Seminar: 3 times
- Human Element Seminar: 2 times

We Cultivate and promote our Corporate Social Responsibility:

- Summer Internship Programs
- Universities visits
- Fundraisings and Voluntary participation in welfare activities
-

Norman Schmiedl (Crewing Director, Columbia Shipmanagement): “My Company manages 400 vessels and 14,000 crewmembers. The main challenge for the maritime community: there is still a significant lack of seafarers. Still, on top of that, this is difficult in 2015: how to become a master and what is the proper way for young people nowadays.”



Best Industry Practices - Maritime Safety & Security



Moderator:

Richard Meade, Editor - Lloyd's List

Panellists:

Stylianos I. Sifakos, Chief Operating Officer – Product Shipping & Trading SA

George Tsavlis, Principal – Tsavlis Salvage International Ltd.

Stavros Meidanis, DPA/ CSO, S&Q Manager – Capital Ship Management Corp.

The **fifth panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** discussed issues related the safety of the work environment, risk management and business continuity, compliance with industry standards, and health in the maritime and offshore industries. Panel moderator **Richard Meade** (Editor - Lloyd's List) initiated the discussion by asking from the panellists to respond to the following question: “There is a heated debate about whether we should be going beyond compliance but where does the benefit lie? Are there ways to encourage going beyond the lowest common denominator?”

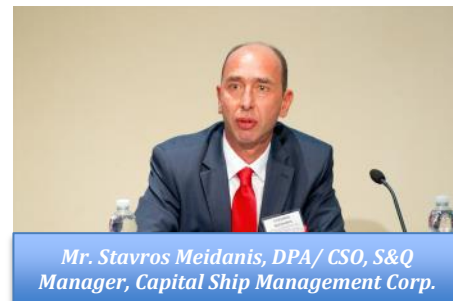


Stylianos I. Sifakas (COO, Product Shipping & Trading SA): “My view on the moderator’s statement: as a shipping company, we have to set our own standards. There is a mass of information that we have to deal with, to comply with, so many sources. I haven’t seen today here a union of shipowners. Somebody mentioned before the aviation industry, I am not sure whether in the near future we can attempt something similar.”



George Tsavlis (Principal, Tsavlis Salvage International Ltd.): “I am against the idea of actually using the word CSR, it sounds like a glamorous word, and we are not in a glamorous industry. We come from a shipping family. We care. Let us face it: the most important people in the shipping industry are not sitting with us today here but these are the seamen on the ships who run the ships. If you lose the human element, you lose everything. The main issue at the end of the day that we have to accept is that this is not a glamorous industry - it is a down to earth industry. There is a tremendous burden on seafarers. In conclusion: Education, education, education. I am in this business for the past 50 years but I keep coming to these conferences to learn.”

Stavros Meidanis (DPA/ CSO, S&Q Manager, Capital Ship Management Corp): “About Best Practices – a few ideas: company’s performance based on 3rd parties’ databases and records; initiatives undertaken by companies in order to achieve targets set; key performance indicators (KPIs) and their role. KPIs are very critical in our day to day life; continuous training and “investing in people” make our people to feel at home on-board; role of existing/forthcoming regulations and how they affect the shipping industry.”





**5th Annual Capital Link
Shipping & Offshore CSR Forum**
Best Industry Practices - A Competitive Advantage
Tuesday, November 3, 2015 - One Moorgate Place, London, UK

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6th Annual Capital Link Shipping & Offshore CSR Forum *Best Industry Practices - A Competitive Advantage*

Wednesday, November 2, 2016 - One Moorgate Place, London, UK

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A permanent web-based resource, www.maritimecsr.com not only centralizes information on corporate social responsibility (CSR) in the shipping and
and practices by governmental and non-governmental organizations, industry associations,
and especially companies.



Keynote Remarks and Presentation of Capital Link's "2015 Maritime CSR Leadership Award"



Left to Right: Mr. Nicolas Bornozis, Dr. Nikolaos P. Tsakos, Professor Costas Th. Grammenos



The **"2015 Capital Link Maritime CSR Leadership Award"** was presented to Dr. Nikolaos P. Tsakos (Chairman of INTERTANKO and President & CEO of NYSE listed TSAKOS ENERGY NAVIGATION LTD – TEN). The introductory remarks were provided by **Professor Costas Th. Grammenos** (CBE, DSc, Chairman, Costas Grammenos Centre for Shipping, Trade and Finance Cass Business School, City University London), who mentioned inter alia the following things about and in honour of the celebrated awardee:



Professor Costas
Th. Grammenos

Introductory Remarks by: **Professor Costas Th. Grammenos**, CBE, DSc, Chairman, Costas Grammenos Centre for Shipping, Trade and Finance Cass Business School, City University London

"Nikolaos Tsakos came to Cass Business School – then City University Business School – in September 1985, with a BA in Economics and Political Science from Columbia University in New York. Nikolaos represents an amalgamation of Chios, his father and his own international experience. The Tsakos family has been in shipping for many generations. Education, hard work and discipline are virtues in his family environment. He did his dissertation at Cass in 1987 on capital markets.

In 1993, he did the first IPO in Oslo. He raised \$35 million and together with debt from bank financing. He brought transparency, institutional investors to the company. He used to say: "The decision-making Board of a Greek shipowning company is like though the shipowner is talking in front of a mirror to himself". His company has on order another 16 tankers, due to be delivered during 2016-17. Since 2002 TEN has raised more than \$800 million of equity for vessel acquisition, paid \$400 million in dividends during the same period, spent \$5 billion in vessels. Nikolaos succeeded because he dealt successfully with: fluctuating income, fluctuating dividend policy, smaller size shipping company and older vessels, and small shareholder base. Thus TEN has become a very modern, customer-driven company. To achieve all these he used his personal qualities: he created a vision for TEN and chose the right people for his team. He is down to earth and humorous. Strong views of TEN on education and environment: two schools in Philippines, one in Kardamyla and scholarships at Cass Business School to excellent undergraduate students. The honorary DSc, the higher doctorate of City University London was awarded to Dr. Tsakos in 2011 for his pioneering work related to capital markets. This very exclusive award has been awarded to very, very few: the Governor of the Central Bank of China, the Governor of the Central Bank of Turkey, the Director of the Bank of New York Mellon, the CEO of Coca Cola and the founder of EasyJet."

Following the keynote remarks by Professor Grammenos, **Dr. Nikolas Tsakos** stepped onto the podium to receive his award, but before that, he delivered a succinct speech on CSR and shipping, the most important points of which were the following:

"It is a great privilege to be here. I accept this award with a lot of appreciation and not on a personal basis but as a representative of the shipping industry and especially the very environmentally sensitive tanker sector. Many people believe that shipping has stepped up late in the CSR challenge. I don't agree. Shipping has been giving back to society since antiquity. Not only in the material form but bringing home foreign cultures and experiences. In ancient Athens for example, the ship merchants voluntarily donated part of their income for the cultivation of arts. They financed the building of theatres for the common benefit of the population and even produced comedies and tragedies (some tragedies are still performed in modern Greece, thanks to our politicians).



But even in more recent times, the shipping industry has always been giving back to society. In Greece the country where I was born, ship-owners are the greatest benefactors. The same is true for most traditional shipping nations. The international nature of shipping makes it more challenging to identify the direct impact of CSR in the environment it operates.

Vessels trade worldwide, calling hundreds of ports and countries every year. Seafarers are a mix of various nationalities spending long periods of time away from their family base. Shipping is not a land-based factory, Volkswagen, lying next to a provincial town from where a large part of the population is employed and the CSR effects are obvious from the local pub to the football stands.

Today's ships are the largest manmade mobile structures that navigate 24/7, occasionally through very severe weather conditions, are exposed to attacks by 21st century pirates and are manned by diverse ethnicity crews.

So the challenge, to give back in such an international environment, is more complex, fragmented and most of the time it goes unnoticed. That is why many believe that shipping is not contributing its fair share of CSR. It goes without saying that there is much more to be done.

However, I represent an association where the majority of its members perform their CSR duties quite naturally. CSR factor is not imposed on them. It has been like that for generations.

Let me give you an example and see if you can identify the hidden CSR factor (like x factor) in thousands of different occasions that shipping provides daily.

A vessel is on a long time charter between the US and West Africa. The ship owning company decides to finance the modernization and enlargement of the port the ship sails in, thus enabling more goods to be transported and directly and indirectly assisting the increase of economic growth to the benefit of the local community and the company.

At the same time, it employs local seafarers as part of the crew offering sea experience and education to young cadets, thus providing a better future for them and their families by opening new horizons. As time goes by, the ties between the international ship-owner and the local community become

closer. The local school gets upgraded, the hospital receives medicine and equipment, the church is refurbished and, more importantly, the local football team gets new shirts and boots.

In the meantime, at the other side of the world, the same hypothetical shipping company, one of many, makes sure that its most precious asset, its "people" on board and ashore and their families are taken good care of.

Company-sponsored maritime academies in Greece, India, the Philippines, South America, Russia and Ukraine provide round the year refresher and familiarisation courses for the young men and women ashore.

Family clubs are sponsored in most locations that seafarers originate from making sure that the tight knit social feel of care and belonging is not absent regardless of the distance. The onshore personnel and their families are consistently looked after and healthcare and education support is provided. Young students are encouraged to follow their dreams and scholarships are offered by the shipping company be it in Oslo, Piraeus, London, New York, Manila, Melbourne and Montevideo - wherever a young man or woman's dreams may lay.



The nameless example I just provided could concern any of the "hundreds" of Intertanko members and other shipping companies in one form or another with variations.

It clearly portrays a variety of benevolent acts performed and the number of lives that have been affected by traditional shipping practices before CSR became "fashionable".

In INTERTANKO, our members strive for excellence in the provision of quality services combined with social sensitivity.

Our motto is **Human (our seafarers), environmental (the sea and sky), operational safety and commercial sustainability - concepts that incorporate strong CSR values.**

Our mission is to safeguard our seafarers, to maintain clean seas reduce shipping's environmental footprint and lastly to make a positive return on investments whereas we have made great progress in the first three categories, we have failed to make any money so far!!! Let me give you a brief description of INTERTANKO's activities and historical progress in fulfilling its goals and social responsibility."





Best Industry Practices – Ship Recycling



Moderator:

Maria Bruun Skipper, Director Security, Health, Environment and Innovation - Danish Shipowners Association

Panellists:

Sveinung Oftedal, Specialist Director – Norwegian Ministry of the Environment

Akihiro Tamura, Director, Maritime - Japan External Trade Organization

Nikos Mikelis, Non-executive Director – GMS

Bjorn Emtage, Environmental Policy Branch, Maritime & Coastguard Agency – Department for Transport, United Kingdom

The **sixth panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** focussed on issues related to Green Ship Recycling.

Panel moderator **Maria Bruun Skipper** (Director Security, Health, Environment and Innovation - Danish Shipowners Association) divided the discussion in two parts: individual mini-presentations and Q&A session: “Why we do not have a regulatory framework? For me, CSR is going beyond regulatory compliance, you can earn good money in a really responsible way, nowadays this is the way



we do business - BWT, sulphur and other regulations, we have already talked. This looks like a perfect regulatory storm but for ship recycling, we have no regulation at all and we have children in Alang, India, working in the mud. We have a legal and moral responsibility. I visited Alang yards recently and now they are upgraded. Each yard has to be on its own HKC: Hong Kong Convention may be criticised for not going far away.



*Mr. Sveinung Oftedal, Specialist Director,
Norwegian Ministry of the Environment*

Sveinung Oftedal (Specialist Director, Norwegian Ministry of the Environment): "A global industry needs global solutions. This is how we dealt with the problem – Norwegian key actions on Ship Recycling: 1999: introduced; 2006: first draft of the Convention; 2007: legal basis for Convention established in Norway; 2011: signed a MOU with Bangladesh; 2013: government and parliament decided to accede to the Convention; 2013: Norwegian accession to the Convention. Do we need a global or regional solution? Water

always finds its way where resistance is the lowest - if you want to increase the level of the water, increase the regulatory standards? The global community needs to take all on board so as to increase the standards so that no one can circumvent them. The corporate company can choose what to do but a global framework must enter into force and start to function."

Akihiro Tamura (Director, Maritime, Japan External Trade): "It is essential to set clear goals for the ship recycling yards to follow, and to be supported by the global community. Secondly, to offer incentives for improvement, reward investment of ship recycling yards to become sustainable. Thirdly, provide support and assistance by governments. Each stakeholder should make his own contribution."



*Mr. Akihiro Tamura, Director, Maritime,
Japan External Trade*



*Mr. Nikos Mikelis, Non-executive
Director, GMS*

Nikos Mikelis (Non-executive Director, GMS): "Ship recycling takes place where iron is needed. Bangladesh, Turkey, India, Pakistan recycle the vast majority. The Hong Kong Convention has been created. We need to understand and recognise the changes that are taking place in SE Asia. In Alang, a lot of investment has taken place for training, infrastructure. Some yards now are able to exceed the HKC standards. Inevitably, a two-tier market will develop with price differentiation. If shipowners need to recycle in a responsible way,

this trend will be reinforced."

Bjorn Emtage (Environmental Policy Branch, Maritime & Coastguard Agency, Department for Transport, United Kingdom): "The UK strongly supports the new EU Ship Recycling Regulation that is closely in line with the HKC. There is no explicit ban on beaching in the current EU regulation".



*Mr. Bjorn Emtage, Environmental Policy
Branch, Maritime & Coastguard Agency,
Department for Transport, United Kingdom*

Managing a Global Business - Best Industry Practices – Supporting a Global Approach to Community Investment & Measurement

After the Green Ship Recycling panel discussion was over, **Kate Willoughby** (Manager for Global Corporate Responsibility, DP World) took the podium and delivered her presentation on Community Investment at DP World, the key points of which were the following:



- Our objective is to integrate responsible business practices into our daily activities, growing our business in a sustainable manner
- We have a global presence: large portfolio of more than 65 marine terminals across six continents
We had no way to aggregate it : our data/findings/impact on community investment and report on it so we joined LBG, the London Benchmarking Group, the global standard for measuring corporate community investment
- Threefold LBG model used to assess the real value and impact of our community investment to both business and society: inputs (what's contributed, i.e., the resources a company provides to support a community activity), outputs (what happens, i.e., the activities delivered, numbers reached, funds raised and business-related activity resulting from the contributions made), impacts (what changes, i.e., the changes that happen to individuals, organisations and the company, in the short or longer-term, as a result of the activity)
- Now we have a CSR team we developed an in-house system to gather the data we started in November 2014 and finished April this year it was the first time
- What did we learn – why and how we support: Community investment means giving money as part of a long-term community investment, charitable gifts one-off contributions, commercial initiatives in the community one penny per coca cola can sort of. But we do not want to be reactive and give out checks, we really want to be involved in long-term strategic investment
- We have good amounts of volunteering. We are supporting schools and universities, we want to support education and to support young people, because there is not enough talent across the maritime talent pipeline.
- What we found from our data: employees fundraising (16%); customers cash contribution (7%); subcontractors/suppliers cash contribution (71%); other sources, e.g., general public/government (6%)
- We have only recently started measuring the impact of our programmes to see the real impact that they have
- There has to be a business benefit in doing this otherwise over time, businesses will cut back from investing in CSR
- We had all these data audited

Driving Transformation through the Value Chain - The Demand for Best Industry Practices by Charterers



Moderator:

Alastair Fischbacher, Chief Executive - Sustainable Shipping Initiative (SSI)

Panellists:

Hans Christian Jensen, Director Global Freight Business – ADM

Nikolaos Saratzis, Senior Marine Operations Coordinator - Cargill International SA

Stefanos K. Stylianos, Vetting & Compliance Manager - Andriaki Shipping Co. Ltd.

Marie-Anne Fiorelli, General Manager Operations – Tanker Fleet- d'Amico International Shipping

Katharine Palmer, Manager, Environment & Sustainability – Lloyd's Marine

The **seventh panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** discussed how the requirement of major charterers to their trading partners to adhere to certain operating standards and CSR policies has a positive impact for all parties involved.

Panel moderator **Alastair Fischbacher** (Chief Executive - Sustainable Shipping Initiative – SSI) opened the discussion with a series of brief comments before asking from the panellists to share their views: “It appears that CSR becomes a norm and investors are scrutinising CSR aspects of their investments. CSR is becoming mainstream. This is over the last 1-2 years while the pressure is increasing. Breaking that chain of trust has a significant effect: the VW scandal is quite recent - if we break the trust, CSR in itself is about reporting and transparency, but the long-term goal is sustainability. The charterers interface with customers it is quite crucial on the one hand that they are facing their customers and on the other CSR and corporate chartering what should we expect in the future? This is an exploratory process, it is continuing to evolve.”



Hans Christian Jensen (Director Global Freight Business, ADM) :We own 10 ships and operate 150 ships. We have talked about doing it the right way, making results the right way. We do have a very strong CSR policy. But to have a policy is one thing and to implement it on a daily basis is another. It has to come from the top, from leadership, continuously, until it becomes corporate culture. Also, our reputation in the marketplace is very important, local communities. What does this mean for shipping on a day-to-day basis? We have our proprietary way of analysing our actions on a daily basis.”



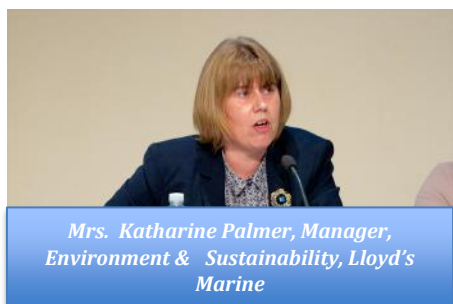
Nikolaos Saratzis (Senior Marine Operations Coordinator, Cargill International SA): Learning and education never stops. Answering the main question of how CSR fits in our world, for us it is a natural fit it is not an issue of regulation or having a nice face. Even when I joined the company, I was not aware of all the things that we do. We are a company that works with resources, takes advantages of them, and feeds the world. For us it is a no-brainer to conduct business this way. A few years ago, when I was based in Singapore, I was surprised to see all these small frozen yogurt shops this is part of a trend: in contrast to CSR, it will go away back then, 10,000 shops nowadays, could be less than 1,000."



Stefanos K. Stylianos (Vetting & Compliance Manager - Andriaki Shipping Co. Ltd.): "Charterers have best industry practices, these have been developed over time in the shipping and offshore sectors, and implementation is direct through the market clients are demanding for them. The results in the tanker industry speak for themselves, tanker management assessment tool is a high-level initiative used by companies to assess their vessels. All these examples were over and above typical CSR/BIP. Operational excellence in shipping is no longer a wish, it is a reality.

Sustainability is not something new for us; we invest in ships applying a 20-30-year vision. So, what is the next step? Radical expansion through the social media, everything is exposed. Reduce our carbon footprint, seeking to give back at our communities. We have invested in our seafarers' communities but we have not advertised this very well. Will the charterers provide us with this extra rate?"

Marie-Anne Fiorelli (General Manager Operations, Tanker Fleet, d'Amico International Shipping): "You always fight on the sustainability. We are not very visible which means that we are not very reliable. Do we have to be in the public eye? The initial focus was on the vessel, the vetting, the technical, but after that we have to develop in an environment that is more holistic. CSR involves training shore staff, company culture spreading all around the company onshore and offshore. The tankers, we have achieved on tankers. These achievements have also been applied to a large extent to the bulk side."



Katharine Palmer (Manager, Environment & Sustainability, Lloyd's Marine): Across the whole supply chain: this is where we work. Safe and sustainable processes. We see an increase of the trend of how CSR criteria are used in making business decisions. But what are these criteria and how do they apply? People are looking back on their performance but they are still very much focussed on technical and the environment. One of the areas we are still falling short is our social impact, this remains relatively unattended by the shipping community".



Best Industry Practices as a Competitive Advantage – The Shipowner Perspective



Moderator:

Julian Bray, Editor-in-Chief – TradeWinds

Panellists:

Kostas G. Vlachos, COO - Consolidated Marine Management, Inc. (Latsis Group)

Milton Gonzales, General Manager and Technical Director & Maritime Compliance Officer - Gener8 Maritime

Apostolos Poulouvassilis, Chief Operating Officer – Eletson Corp.

Dimitris E. Patrikios, General Manager – Springfield Shipping Co., Panama S.A. (Onassis Group)

George D. Gourdomichalis, CEO - Blue Wall Shipping Limited

The **eighth and last panel of the 5th Annual Capital Link: Shipping & Offshore CSR Forum** discussed the practices of specific companies across the board – how they drive the quality, health and safety culture throughout their organization. The panel included companies from the dry bulk, tanker, LNG/LPG and container sectors.

Panel moderator **Julian Bray** (Editor-in-Chief, TradeWinds) simply mentioned that: “it would be hard to imagine ten years ago such a discussion. The key question is best practice and how it can add in value, leverage to a ship-owner”.



Kostas G. Vlachos (COO, Consolidated Marine Management, Inc. - Latsis Group) “Responding to a comment by Julian that there are extensive notes on the website of his company on CSR: CSR and what it means to our company – why do we engage in CSR: all stakeholders, society wants to ship resources, cargoes in a CSR responsible way. There is a great need for shipping companies to engage in activities that promote CSR. We have the following six activities: developing, implementing and maintaining HSQEE

management procedures, fit for purpose, based on the principle that robust standards and company’s performance are mutually supportive and reinforcing; managing human behaviour and attitude; ensuring competency, training and professional development for implementing practices of CSR; learning from incidents; use of risk management tools to address human element; and seeking for stakeholder engagement.”



Milton Gonzales (General Manager and Technical Director & Maritime Compliance Officer, Gener8 Maritime): “We just got our 3rd ECO VLCC. One of the things that we learned as a company is that we need to do CSR all the time and not whenever it is convenient. We started five years ago not being reactive but respond in a much more professional manner. From CSR standpoint, we deal with third-party technical managers they all say that they are committed to best practices. This has been a challenge for us. The easy thing for us would be to look at KPIs but this does not really work, you have to be more granular. Our aim is to continue to raise our company in the eyes of our clients. We care, we are serious and we are always watching what is going on with our ships. The importance of training our crews is teaching them how to be together. The people on board our ships know that they have the owners’ support, that they have our support. This prevents many of the problems, knowing that the shipowner is committed. We feel that this bolsters our efforts.”



*Mr. Milton Gonzales, General Manager and
Technical Director & Maritime Compliance
Officer - Gener8 Maritime*

Apostolos Poulouvassilis (Chief Operating Officer, Eletson Corp.): “It is a complex market structure. Eletson’s strategy map: the strategy map provides the starting point for strategic priorities from which strategic objectives are set and agreed; strategic objectives are then linked to operational and departmental goals from which individual objectives are set; aligning individual objectives to strategic objectives is a key success criterion in effective performance management and successfully cascading these top down is also recognised as integral to a high performing organisation; the business goal going forward is “to remain a leading provider of energy seaborne transportation services in terms of the way our clients and industry view us”. Is CSR just greenwash or is it something practically implemented in reality? CSR should be embedded in our overall business performance - satisfying and meeting stakeholder requirements and expectations. This is a supply chain model whether we speak about CSR, quality, health, security, sustainability, safety/environment etc., as we proceed across the stakeholders. Within that equation you can see the different requirements that can be placed upon the shipowner. Multi-dimensional life/stage cycle of the vessel. For sustainability, CSR should be embedded all across the supply chain. To get repeat business, to make that deal work every time, you can apply KPIs, but at the end of the day it is your brand, your reputation. Every year we will take 30-40 cadets, all our ships carry the Greek flag, we train them with a view to retain them. It [i.e., talent management] is not one-off, it is a continuous process.”



*Mr. Apostolos Poulouvassilis, Chief
Operating Officer, Eletson Corp.*



*Mr. Dimitris E. Patrikios, General
Manager, Springfield Shipping
Co., Panama S.A. (Onassis Group)*

Dimitris E. Patrikios (General Manager, Springfield Shipping Co., Panama S.A. - Onassis Group): “The concept of CSR is inextricably interwoven with our philosophy as a group. Some of our history: the actual name of the foundation is Alexander Onassis. It was established in 1975. Onassis had a vision to keep his name alive not only through his commercial foundations but also through contributions to the society. The profits the foundation has go back to the society via culture, social solidarity activities, education etc.

For us safety simply means business. Safety and quality means business in a better way. We do not want to jeopardise the sustainability of our shipping operations. Respect for all stakeholders. We

provide all the necessary financial or human resources to achieve these standards. We adapted the standards of the aviation industry in the past to shipping and this was later adopted by the shipping industry. For a shipping company to be successful, the central role is being played by human capital. If you have seafarers without proper training and quality and safety then, you are not sustainable. We care for them, we try to make them feel that they are part of the greater family of the group, we provide assistance 24/7, we have a very high retention rate, and it makes us able to select great seafarers to man our offices. Throughout the years, the safety culture established has passed from generation to generation by realising that we live in a different world from that of our founder, we live in an environment of continuous regulation. Our goal is to have a sustainable presence in shipping as was the will of our founder."

George D. Gourdomichalis (CEO, Blue Wall Shipping Limited): Official definition of CSR: "Corporate Social Responsibility is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large". I don't like it! You will find it if you Google it. It lacks passion! I do not like regulation! It is regulation put together by regulators who lack deep knowledge of the industry! We are in general an industry that is full of entrepreneurship. The major items that are connected to CSR: shore staff, crew, financiers (equity and debt holders), the environment, the cargo transported, the ports visited. But these are every day! We are there for our crew is nothing special in the sense that this is what we do at all time. This is not CSR! This is what we are! This is what we do! All of us want a sustainable business but we also need to be speculators, to take advantage of market anomalies. In reality, the big question for me is, what will give - economics or the sustainability? For me it is one and the same thing. What we do on a daily basis: foster and reward best practices by employees; provide continuing training/education; provide guidance to both secondary and university level students; miscellaneous contributions in both financial aid or goods/services to those in need – as simple as supporting your local food bank or joining the union of Greek shipowners and helping in this or that event; proactively participate in regulatory formation and debate. In Greece, we accepted a voluntary extra taxation and I need not remind you the giving's of the Greek merchant navy during the 2nd World War. There are bankers saying, "We only finance green shipping" – what does that mean!?"



The Forum concluded with a cocktail giving the opportunity to all participants to continue the dialogue and exchange of ideas.



5th Annual Capital Link Shipping & Offshore CSR Forum

Best Industry Practices - A Competitive Advantage

Tuesday, November 3, 2015 - One Moorgate Place, London, UK

In Cooperation With



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For more details and extensive information, please visit:

The CAPITAL LINK website: www.capitallink.com

The CAPITAL LINK FORUM website: www.capitallinkforum.com

ABOUT CAPITAL LINK

Capital Link is a 20 year old Advisory, Investor Relations and Financial Communications firm with a strategic focus, among other, on the global maritime sector. Capital Link's headquarters are in New York with a presence in London, Athens and Oslo. We have become the largest provider of Investor Relations and Financial Communications services to international shipping companies listed on the US and European Exchanges. Capital Link has focused on elevating the profile of Greek Shipping and Shipping to a wider audience around the world, including investors, analysts, bankers, financiers and industry participants. We are humbled that our efforts have been recognized by the **2011 Greek Shipping Lloyds Awards** and in **2012, 2013 and 2014** by **Intercontinental Finance Magazine**.

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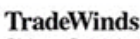
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**7th Annual Capital Link
Greek Shipping Forum**
"Opportunities & Challenges"

Tuesday, February 16, 2016 - Athens, Greece



Greek shipping remains important to the maritime economy, constituting approximately 20% of the world's shipping fleet. This event will not only cover the latest developments and trends in international trade, dry bulk commodities, and the energy markets – framed against the broader backdrop of the global economy – but also review various funding alternatives for raising capital among listed and private shipping companies.



**3rd Annual Capital Link
Master Limited Partnership
Investing Forum**

Thursday, March 3, 2016
The Metropolitan Club, One East 60th St., NYC



This investor-focused event will examine the latest trends, developments and challenges associated with master limited partnerships (MLPs). It also presents a networking platform for financial advisors, financial planners, institutional investors, fund and asset managers, analysts, other wealth management professionals, and major financial media.



**10th Annual Capital Link
International Shipping
& Offshore Forum**

Monday, March 21, 2016
The Metropolitan Club, One East 60th St., New York City



The tenth installment of the Invest in International Shipping Forums, this investor-focused event allows a platform for high-level executives and shipping companies to share and examine the shipping markets in light of annual results. Institutional investors and analysts, financial advisors, bankers, financial media, and other qualified investors will be in attendance.



**15th Annual Capital Link
Closed-End Funds and
Global ETFs Forum**

Thursday, April 21, 2016
The Metropolitan Club, One East 60th St., New York City

This annual event, playing host to 1,000 attendees every year, will not only address the benefits and challenges associated with using closed-end funds (CEFs) and ETFs, but will also present a networking platform for financial advisors, financial planners, institutional investors, fund and asset managers, analysts, other wealth management professionals, and major financial media.



**China Shipping
Forum**

Thursday, May 12, 2016
Shanghai, China



This event provides investors with a comprehensive review of various shipping markets to investment communities in China and throughout Asia. It aims to provide investors with a comprehensive review and current outlook of the various shipping, marine services and offshore markets and in addition, cover topics of critical interest to shipping industry participants, financiers and investors.



**5th Posidonia
Analyst & Investor Day
Capital Link Shipping Forum**

Monday, June 6, 2016 - Athens, Greece



This bi-annual event brings together public and private shipping company executives, investors, analysts, financiers, and other industry participants who are visiting Athens for the biannual Posidonia event from all over the world. The Forum will feature sector roundtable discussions dedicated to the dry bulk, tanker, container, LNG, and offshore sectors.



**8th Annual Capital Link
Global Commodities,
Energy & Shipping Forum**

Wednesday, September 14, 2016
The Metropolitan Club, One East 60th St., New York City



As the global derivatives market undergoes further economic and regulatory changes, the ability to effectively manage risks is becoming paramount, and the need for global collaboration is heightening. This program will feature a distinguished list of speakers who will provide an insightful global perspective on commodities, energy, and shipping.



**3rd Annual Capital Link
Dissect ETFs Forum**

Thursday, September 29, 2016
The Metropolitan Club, One East 60th St., New York City



Exchange Traded Funds (ETFs) have seen an explosive growth in the industry since the emergence of the first ETF in 1990. The growing popularity of this investment vehicle has dramatically change the investment landscape among both institutional investors and financial industry professionals who provide wealth management services to clients. This Forum is an extension of our 15 year track record success of our Annual Closed-End Funds and Global ETFs.



**9th Annual Capital Link
Shipping, Marine Services
& Offshore Forum**

Wednesday, October 5, 2016
One Moorgate Place, London, UK



In cooperation with the LSE, this event provides investors with a comprehensive review of various shipping markets to investment communities in the UK and throughout Europe. Shipowners, shipping executives, institutional investors, research analysts, industry experts, commercial and investment bankers, risk advisors, private equity and venture capital firms, high-net worth investors, and financial media attend this London forum every year.