



## IMO2020 regulation compliance for our suppliers and freight forwarders

### Purpose

The purpose of this memo is to communicate BHP's expectations and requirements to suppliers and freight forwarders regarding compliance with the amendments made by the International Maritime Organization to Annex VI of the International Convention for the Prevention of Pollution from Ships (MARPOL) which will reduce the permitted sulphur content of bunker fuel and emissions for ships operating outside the established Emission Control Area (ECA), effective from 01 January 2020 (IMO regulation).

### Application

This memo applies to all vessels operating along BHP's maritime supply chain which have been nominated or engaged by BHP suppliers and freight forwarders.

### Background

Under the IMO regulation, the sulphur content of any fuel oil used on board vessels shall not exceed 0.50% m/m (mass by mass) on and after 01 January 2020 (for vessels operating outside an ECA) unless the vessel is fitted with an exhaust gas-cleaning system, commonly referred to as a 'scrubber', that is capable of reducing sulphur emissions to the level required by the IMO regulation.

BHP is fully supportive of the IMO's 2020, 2030 and 2050 targets to reduce global shipping emissions.

### How can vessels meet lower sulphur emission standards?

Vessels can use low-sulphur compliant fuel oil or exhaust gas-cleaning systems. BHP is also supportive of alternate fuelled vessels such as LNG as an emissions reducing solution.

### What is BHP doing to be IMO2020 compliant?

For all vessels that are chartered by BHP, BHP will accept vessels only after verifying that the vessel is adequately prepared for compliance, as part of our risk mitigation measures. BHP expects vessel owners to provide the information and documentation requested for all vessels chartered by BHP, in order for BHP to carry out their vetting requirements. This includes, but not limited to, a SIP (Ship Implementation Plan) outlining a vessel's operational and safety preparedness for this regulatory change. For specific details on the verification requirements for vessels using compliant fuel or scrubbers, please refer to our maritime circular [here](#)<sup>1</sup>.

### What is our expectation from our vendors and freight forwarders?

BHP expects all vessels operating along our maritime supply chain to be fully compliant with the IMO regulation. This regulatory change creates an enhanced operational and safety risk profile. BHP's suppliers and freight forwarders are asked to familiarise themselves with the IMO regulation and ensure that they will be able to provide or obtain from their freight providers, the information and compliance documentation if requested by BHP.

### For more information

Please see [IMO's FAQ](#)<sup>2</sup> on 2020 global sulphur limit for more information. If you have any questions, please do not hesitate to contact BHP, [maritimecommunication@bhp.com](mailto:maritimecommunication@bhp.com).

1. <https://www.bhp.com/-/media/documents/suppliers/imo2020regulationcomplianceforvesselowners.pdf?la=en>

2. <http://www.imo.org/en/MediaCentre/HotTopics/GHG/Documents/2020%20sulphur%20limit%20FAQ%202019.pdf>