



## **IMO2020 regulation compliance for vessel owners and customers**

### **Purpose**

The purpose of this memo is to communicate BHP's expectations and requirements to vessel owners and customers regarding compliance with the amendments made by the International Maritime Organization to 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 whether chartered by BHP or nominated by BHP Customers.

### **Background**

Under the IMO2020 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 LNG-fuelled vessels as an emissions reducing solution.

### **BHP's expectations and verification process**

BHP expects all vessels operating along our maritime supply chain to be fully compliant with the IMO regulation. Vessel owners' are responsible for ensuring that their vessels comply with the IMO regulation. This regulatory change creates an enhanced operational and safety risk profile, and BHP will accept vessels only after verifying that the vessel is adequately prepared for compliance, as part of our risk mitigation measures.

BHP will work directly with time-chartered vessel owners to provide specific instructions and discuss appropriate management of hazards and potential safety risks.

For all vessels that are chartered by BHP or nominated by BHP customers, BHP will assess the operational readiness of these vessels to comply with the IMO regulation as part of its vessel vetting process, as deemed necessary, from 01 November 2019.

BHP's customers and vessel owners 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 documentation requested for all vessels undergoing vetting after the implementation date set out above.

### **Verification requirements for vessels using compliant fuel**

- IMO2020 Ship Implementation Plan, as per guidance from IMO
- Compatibility test kit on board with a clear guideline on acceptable ratio of commingling, if the technical manager's fuel management policy approves mixing of bunker fuels from different sources, wherever possible
- ISO8217 test report and Bunker Delivery Note for intended fuel usage during BHP charter
- Inspection report and photographic evidence to demonstrate tanks taking compliant fuel for the first time are free of any traces of sediments, sludge and unpumpable residue of previous fuel oil
- On-board fuel change over procedures
- List of completed risk assessments covering operational failure of fuel and its systems
- List of adequate critical spare parts carried by the vessel for its fuel system in addition to the recommended critical spares as required by the classification society, in view of potential equipment failures
- On-board written procedures on handling off-spec or non-compliant fuel on board (ie. 0.54% sulphur)
- Non-compliance reporting procedure as outlined in the guidance provided by the IMO

### **Verification requirements for vessels that use scrubbers (Owners must also adhere to the above requirements on compliant fuel)**

- Type of scrubber fitted on board with certification and test results of approval by Class
- On-board written procedures for scrubber operations
- Evidence to demonstrate ship's engine room, personnel's explicit training for usage of type and make of scrubber fitted on board
- Quantity of spare compliant fuel carried on board at all times, in the event of scrubber failure
- List of adequate critical spare parts carried by the vessel for its scrubber system in view of potential equipment failures

### **For more information**

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