Navigating the Path:

Defining and Governing Carbon Footprint Strategy in Maritime Industry

"There is enough for everybody's needs but not for everybody's greed."

Mahatma Gandhi

Defining and governing a carbon footprint strategy has become imperative for individuals, organizations, and nations alike.

Understanding the Carbon Footprint

At its core, a carbon footprint represents the total amount of greenhouse gases, particularly carbon dioxide (CO_2), emitted directly or indirectly by human activities. This includes personal actions like commuting, energy consumption, and diet choices, as well as the broader footprint of industries, transportation, and production processes.

Understanding the Carbon Footprint in Maritime Operations

Scope 1- Scope 1 Emissions are direct greenhouse gas emissions that originate from sources owned or controlled by an organization. For e.g. Fuel consumption by ships or boiler furnace emissions.

Scope 2- Scope 2 emissions encompass indirect greenhouse gas emissions associated with the generation of purchased or acquired energy, such as electricity, heating, or cooling. These emissions are not generated on-site but result from the consumption of purchased energy.

Scope 3- Scope 3 emissions are indirect emissions that occur as a consequence of an organization's activities but arise from sources not owned or directly controlled by that organization. This includes Supply chain emissions, Employee Commuting and use of products or services.

Legal Requirements-Compliance

Legal requirements for carbon footprint reduction strategies can vary significantly across different regions and industries. However, several overarching regulations and initiatives drive the need for organizations to develop and implement strategies to reduce their carbon footprint

- Paris agreement-UNFCC
- IMO
- National and regional regulations
- Corporate governance and disclosures (SEC for US based companies)
- Task Force on Climate-related Financial Disclosures (TCFD)

Conclusion

Sooner or later each organisation will have to catch up with monitoring and regulating Carbon Footprint reduction strategy. Starting sooner has added advantages.

The legal landscape concerning carbon footprint reduction strategies is evolving rapidly, driven by increasing awareness of climate change and its impacts. Compliance with these regulations often involves measuring, reporting, and reducing greenhouse gas emissions across various scopes of operations. Organizations are compelled not only by legal requirements but also by the growing expectations of stakeholders for transparent and sustainable practices to address climate-related risks. Therefore, understanding and adhering to these regulations are crucial elements for businesses seeking to develop effective carbon reduction strategies and remain competitive in a changing regulatory environment.

Note- Nivyash Marine helps organisation define ESG strategy, ESG reporting, GHG assessment, Risk Assessment, Materiality analysis, Environment Management Manual and CO2 reduction strategy.