ZERO-EMISSION SHIPPING
REPORT CARD

17/100

F

PIL earned 17 / 100 available points, or an F grade, on the Ship It Zero 2023 Report Card for the company's actions to date to end its ocean shipping pollution. The Ship it Zero Report Card grades companies based on the Ship it Zero campaign's three campaign demands, which are End Port Pollution Now, Abandon Dirty Ships, and Put Zero at the Helm. Pacific International Lines earned an F in the ending port pollution category; an F in abandoning dirty ships; and an F in putting zero at the helm. It is the worst performing container shipping line in this report card.

Pacific International Lines is lagging far behind on climate action. The company ranked last among the shipping carriers evaluated for this report card. To our knowledge, the company's 2021 sustainability report is the only one the company has produced.

The company has not publicly committed to reducing criteria air pollutants in ports, and only reports their emissions for one pollutant (SOX). The company does utilize Alternative Marine Power (AMP, also known as shore power), and has made some investments in shore power infrastructure. These investments appear minimal compared to other carriers. It has stated that its newbuild vessels will be shore power compatible, but has not set benchmarks for retrofitting the existing vessels in its fleet for shore power. PIL has not committed to prioritizing green ports.

PIL has invested in zero-emission port infrastructure through the Centre for Maritime Decarbonization. It also participates in the Port of Long Beach's Green Flag program for ship speed reductions, referred to as slow steaming. Slow steaming reduces fuel demand and lowers air and greenhouse gas emissions.

However, PIL is not a member of corporate initiatives to reduce air and greenhouse gas pollution, such as the Getting to Zero coalition or First Movers Coalition. The company has not advocated for regulatory changes to reduce port pollution or invested in zero-emission offshore charging stations. PIL received credit for joining the Silk Alliance, which is pursuing green corridors in Asia, but the company does not report their air pollutant emissions or shore power use at all.

PIL has not made any public commitments to immediately reduce greenhouse gas emissions. The company received credit for efficiency retrofits and slow steaming, as well as having ammonia newbuilds on the order book. However, PIL was docked points for investing in liquified natural gas (LNG) and using Exhaust Gas Cleaning Systems (i.e., "scrubbers").

LNG is a fossil fuel that is primarily methane, a potent greenhouse gas that has over 80% more heat-trapping power on a 20-year timescale compared to CO_2. A 2020 comparative analysis showed that LNG powered ocean vessels emit 70-82% more climate-disrupting lifecycle greenhouse gases than business-as-usual.

Non-fossil methane gas, so-called "biomethane" or "renewable natural gas" is at times touted by the fossil fuel industry and the shipping sector as a future so-called "clean" maritime fuel. However, once produced, it is still methane and presents the same climate-warming emissions profile in ship engines as its fossil fuel counterpart.

Scrubbers are installed on vessels to reduce sulfur air emissions resulting from the use of high-sulfur fuel. Most vessels are equipped with scrubbers in order to allow ship operators to continue to use one of the dirtiest fossil fuels on earth, heavy fuel oil. This is a thick, tar-like waste product from the world's oil refineries. It is high in not only sulfur, but also in other dangerous contaminants such as heavy metals. Scrubbers use seawater to "wash" sulfur from the exhaust plume. When sulfur reacts with water, it forms sulfuric acid (this is the reason sulfur oxides air emissions cause acid rain). The scrubber wastewater is acidic, toxin-laden, thermal pollution. It is an entirely voluntary wastestream, as ship operators can choose cleaner, low-sulfur distillate fuel which comply with air emission standards and do not produce water pollution.

Scrubbers either continuously discharge the wastewater directly into the oceans (open-loop) or can hold most of the wastewater onboard (closed-loop). Closed loop systems still discharge waste, referred to as bleed-off. Bleed-off is smaller in volume than the wastewater from open loop operation, but more highly concentrated in toxins. Closed loop systems can be operated in zero-discharge mode, but there is little evidence that ship operators choose this option unless required by law.

The use of scrubbers also requires energy, thus increasing fuel demand and potentially greenhouse gas emissions. The California Air Resources Board also found that the use of scrubbers increases the amount of particulate matter emitted by vessels, after extensively studying ships operating the systems as compared to ships using lower sulfur fuels. It is for this reason the state, also the 5th largest economy in the world, disallowed the use of scrubbers as an air pollution compliance mechanism within 24 nautical miles of its coastline. It has also mandated the use of cleaner marine fuels.

The company does not have benchmarks for the percentage of their fleet using cleaner fuels or efficiency retrofits. The company does advocate for rapid decarbonization through trade organizations, but has not advocated for stronger greenhouse gas reduction policies or publicly rejected HFO, LNG, and other false solutions. The company does not report its fleet's CO_2e emissions, fuel types, or propulsion technologies and efficiency retrofits.

PIL has a weak commitment to achieve net carbon neutrality by 2050, and received limited credit for its vague commitment to shore power-equipped vessels. The company does not have interim emissions reduction targets or commitments to shift freight onto low and zero-emission vessels. While PIL has expressed public support for zero-emission shipping development, it is not a member of the Science-Based Target Initiative. The company has invested in some research and development for lower-emission fuels, and does not appear to have bunkering contracts for cleaner fuels or utilize MGO as a fuel. The company has not presented a transition pathway toward zero-emission, nor does the company report on their progress toward this transition.

PIL must recognize our climate reality and act with much more urgency to decarbonize their operations. Ship It Zero calls on the company to commit to at least 50% absolute emissions reductions by 2030 and complete decarbonization by 2040. We urge PIL to stop investing in LNG and instead invest in zero-emission fuels and green newbuilds to drastically reduce the carbon footprint of the company's fleet.

SHIP IT ZERO

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End Port Pollution Now | TOTAL SCORE: 10

Performance Criteria	Possible Points	Company Score
End Port Pollution Now: Commitment (30% of category grade)	**10.5**	**3**
• Publicly-stated commitment to reduce/eliminate criteria air pollution (PM, NOX, SOX) from maritime shipping	5	2[1]
• Commitment to converting fleet/ordering newbuilds that are shore power-compatible	2	0
• Commitment to using shore power/ZEV offshore charging stations	1	1
• Publicly commiting to prioritize shore power-ready/green ports	1	0
• Member of corporate initiatives to reduce air pollution (First Movers, Getting to Zero)	1	0
• Founding member (First Movers, Getting to Zero)	0.5	0
End Port Pollution Now: Implementation Plan (20% of category grade)	**7**	**5**
• Investment in or implementation of ZEV port infrastructure (e.g., bunkering ZE fuels, shore power)	4.5	4.5[2]
• Investment in or implementation of zero-emission offshore charging stations	0.5	0
• Implementation of a plan to reduce air pollution and clean air for port communities	2	0.5[3]
End Port Pollution Now: Advocacy (20% of category grade)	**7**	**2**
• Public support for policy or regulatory measures to reduce port pollution	4	0
• Partnerships with carriers, ports, and regulators to ZEV infrastructure projects	3	2[4]
End Port Pollution Now: Transparency (30% of category grade)	**10.5**	**0**
• Public disclosure of progress toward criteria air pollution reduction benchmarks	7	0
• Broken down by vessel and route	1	0
• Public disclosure of shore power use	2.5	0

Abandon Dirty Ships | TOTAL SCORE: 1.5

Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Commitment (30% of category grade)	**9**	**1.5**
• Commitment to immediate (2023) reductions in GHG emissions from maritime shipping	3.5	0
• Commitment to switch to readily available cleaner burning fuels	3.5	1.5[5]
• Commitment to high efficiency retrofitting and operational measures like slow steaming for vessels	2	2
• Deduction for commitments that rely on LNG (which is a false solution) and carbon offsets	-2	-2[6]

[1] Focus only on SOX

[2] Centre for Maritime Efficiency/Center for Maritime Decarbonization

[3] Green Flag Programme

[4] Silk Alliance membership, which does not exclude LNG from green corridor framework

[5] Discussion and pilot of biofuels and ammonia newbuilds

[6] Strong focus on LNG newbuilds and R&D

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Performance Criteria	Possible Points	Company Score
Abandon Dirty Ships: Implementation Plan (20% of category grade)	**6**	**-1**
• Benchmarks for percentage of fleet using short-term cleaner fuels and lower-carbon technologies (e.g., responsibly sourced biofuels)	3	0
• Benchmarks for percentage of existing fleet with efficiency & hybrid retrofits	2	0
• Offering slow steaming options for customers	1	1
• Deduction for scrubber use	-2	-2
• Deduction for absolute emissions increasing despite commitments	-2	—
• Bonus for absolute emissions reduction	Bonus +2	—
Abandon Dirty Ships: Advocacy (20% of category grade)	**6**	**1**
• Publicly support strengthening the level of ambition of the GHG reduction policies	2	0
• Publicly reject HFO, LNG and false solutions	3	0
• Advocate for rapid decarbonization through trade organizations	1	1
• Deduction for advocating for scrubber use	-2	—
Abandon Dirty Ships: Transparency (30% of category grade)	**9**	**0**
• Annual public reporting of fleet metrics, including:		
◦ Propulsion technologies and efficiency retrofits	2	0
◦ Fuel types and volumes consumed	3	0
◦ CO_2e emissions for entire fleet	4	0

Put Zero at the Helm | TOTAL SCORE: 5.5

Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Commitment (30% of category grade)	**10.5**	**1.5**
• General climate commitment	9	1
◦ Absolute CO_2e reduction benchmarks for 2025, 2030 and 2035	(3)	(0.5)
◦ No use of carbon offsets to meet goal	(1)	(0)
◦ Net Zero vs. Absolute Zero	(1)	(0)
◦ 2040 vs. 2050	(1)	(0)
◦ Commitment to move freight onto low- and zero-emission vessels (with time-bound targets)	(1)	(0)
◦ Set short-term targets for moving increasing volumes of cargo on cleaner ships, i.e., MGO/hybrid-powered vessels, shore power-equipped vessels	(1)	(0.5)
◦ Mentions low- and zero-emission vessels	(1)	(0)
◦ Other	1.5	0.5
◦ Expressions of public support for zero-emission shipping development	(0.5)	(0.5)
◦ Member of Science-Based Target Initiative (a We Mean Business Coalition commitment)	(0.5)	(0)
◦ Getting to Zero (GTZ) Coalition (managed by the Global Maritime Forum, the World Economic Forum and Friends of Ocean Action)	(0.5)	(0)

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Performance Criteria	Possible Points	Company Score
Put Zero at the Helm: Implementation Plan (20% of category grade)	**7**	**2**
◦ Ships	3	0.5
◦ Number of orders or leases for new ZEVs and ZEV-ready ships	(1)	(0)
◦ Deduction for number of LNG newbuilds or leases	(-2)	—
◦ Working with other carriers and/or entering conglomerations/partnerships on the development of ZEV technologies	(1)	(0)
◦ Working with ports and/or investing financially in ZEV infrastructure and/or shipping corridors	(1)	(0) + REGULATORS .5*
◦ Fuels	3	0.5[7]
◦ Bunkering contracts for zero-emission fuels	(1)	(0)
◦ Investment in R&D in fossil-free ZEV fuels and propulsion technologies	(1)	(0.5)
◦ Using MGO/hybrid-powered vessels	(1)	(0)
◦ Bonus for green fuel contracts	(Bonus +2)	—
◦ Efficiency	1	1
◦ Implement efficiency measures (e.g., hull coatings, routes, etc.)		
Put Zero at the Helm: Advocacy (20% of category grade)	**7**	**2**
◆ Publicly support the rapid development of green (ZEV) shipping corridors for high-volume routes per the Clydebank Declaration	3	2[8]
◆ Join First Movers Coalition and/or Getting to Zero (GTZ) Coalition (managed by the Global Maritime Forum, the World Economic Forum and Friends of Ocean Action)	4	0
◆ Deduction for membership in the Society for Gas as a Marine Fuel	-2	—
Put Zero at the Helm: Transparency (30% of category grade)	**10.5**	**0**
◆ Publish ZEV transition pathway for fleet with short-, mid- and long-term fuels and/or technologies that will allow the carrier to meet both interim absolute CO_2e reduction targets and achieve a 100% zero emission fleet by 2040	6.5	0
◆ Annual public reporting of transition progress toward emissions reduction benchmarks and long-term targets, including fuels, technologies and operational measures implemented to achieve reported emissions reductions	4	0

[7] Biofuels pilot

[8] Silk Alliance membership, which does not exclude LNG from green corridor framework