

Raising the Standard for Crew Welfare

Celsius Shipping was founded in 2012 as a full-service ship owning company focusing on special opportunities and infrastructure-like investments within the maritime industry. Now, the company is entering a new era of sustainable shipping. Hannah Barnett learnt more from Founder Jeppe Jensen.

Two years ago, Celsius Shipping made a radical decision. The company sold almost 30 ships from its fleet of 64, starting with the bulk carriers and followed by most of the tankers. The company only kept hold of its newest vessels and it now has a further 18 new-builds on order, mostly LNG carriers. Why?

“We did it because we thought it was the right thing to do,” said Jeppe Jensen, Founder. “This is our ESG commitment and what is driving Celsius right now. When we started seriously committing to the internal targets and goals that we have

set for reduction of emissions, one of the major items in the plan was to divest of older tonnage with high fuel consumption and look towards new modern eco ships.”

With office locations around the world, including Monaco, Copenhagen, Hong Kong, South Korea and China, Celsius is well situated to make a difference in the shipping industry. The group employs around 800 seafarers, alongside 60 onshore staff.

The company has invested approximately \$5.8 billion into vessels since it was founded, and the average age of its fleet is 10

years, though that will decrease dramatically once all the newbuilds are delivered.

“We ordered our first LNG carrier with Samsung Heavy Industries in 2018, and there has been some evolution on the technical specification side since then,” said Mr Jensen. “We were one of the first companies to order LNG carriers with air lubrication and we now have it on all our ships.”

Air lubrication provides an approximately 5% saving on fuel, a significant amount for a large vessel. Celsius also works alongside trusted

partners to enable reliquefaction solutions onboard in order to tackle BOG emissions.

Caring for crew

The company recently published its ESG report, broadly focusing on carbon emissions, health and safety, and employee wellbeing.

This means that alongside care for the environment, care for crew is paramount onboard Celsius vessels. Accommodation is equipped with an indoor climate system, superior to

air conditioning as it ensures clean air at a constant temperature.

A large investment has also been made into designing new crew quarters with thicker walls to block out noise from the engine or other machinery and enable proper rest. "We also have Wi-Fi on our ships so the crew can connect with their families, which is very important at sea," Mr Jensen added.

Having run onshore staff engagement surveys for some years, the company has now extended its reach to include offshore personnel too.

"It is equally important," said Mr Jensen. "We want to know if our seafarers liked working on Celsius vessels, and we have had extremely good feedback. We have

also received a couple of ideas about how we could further improve, which was very welcome. It's a constant process to find ways and means to improve life at sea."

As a tonnage provider, Celsius does not operate its own lines or run its own trades, but rather strives to develop long-term relationships with charterers. This means it is vital to find ways to stand out.

"It's important that we constantly develop the design specifications and features of the ships to focus on lower emissions, higher efficiency and better conditions for crew," explained Mr Jensen.

"There is a very large order book and strong growth within the LNG sector. And, obviously, there's competition for crew. So, focusing on wellbeing is one of the things an owner can do to maintain crew. They are our ambassadors and our engine room."

Perfecting partnerships

Celsius works with partners that are similarly focused on ESG, encouraging the open exchange of information between both parties. Meeting frequently with partners and engaging in daily dialogue is part of an ongoing innovation process. The company favours long-term collaboration over shopping for the best deal.

"It's nice to have partners that we consider colleagues, and it makes things much easier," said Mr Jensen. "We think that rather than fighting for the last dollar on every deal, it carries much more value to have these kinds of relationships because trust allows a smooth operation." ▾

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- Jeppe Jensen -



Celsius Shipping Founder, Jeppe Jensen





The Celsius Team



In recognition of this collaborative approach, the company has begun a constructive partnership with China Merchants Industry. The resulting partnership came because of almost six months of investigation and analysis into the most suitable Chinese shipyard for the job.

“The wider China Merchants Group has seven shipyards, and we had a strong belief that they could build LNG carriers,” explained Mr Jensen. “The shipyard had built other smaller but similar ships before and the only complex part of an LNG carrier is the containment system to cargo tanks, which is obviously very important too.

“So, we sat down and developed a very good specification together. It took more than half a year before we were there. But now we have vessels on order at CMI and that has boosted our growth. The ships will be of a very high standard and will be delivered over the next two to three years. This was a pioneering new yard; we are helping them to help us.”

With existing orders at Samsung Heavy Industries, Celsius already had a large team in Korea and it has built another one in China to ensure the newbuilds pass all the regulations and technical vetting as certified by French company TGT.

Innovation and invention

As a relatively small company, decision-making at Celsius happens quickly. This also allows for innovation. For example, the company’s technical team invented innovative technology for filling up a vessel’s tank, called Filling Levels, which is in use in half of its newbuilds on order. The benefits of such innovation are numerous.

“It means more cargo can be carried in the same ship than before,” explained Mr Jensen. “We are always looking to develop new gadgets for our vessels with one target: to lower unit freight costs for the charterers. It is our responsibility to build ships that are as green as possible, but it is also a matter of creating a fleet that is competitive and attractive to charterers. Ultimately, our freight cost is how we are measured against our competitors.”

For Mr Jensen, leading a small, dynamic team and having the opportunity to implement real change is what makes Celsius an exciting company to run.

“I get a buzz from seeing all the smart people working hard in our office; I like doing deals with our partners, creating something new and growing together,” he concluded. “Employee wellbeing is not something we have just put in our ESG report, it’s important for people to see that we really mean it. This is a family company. And employees are part of the family. We all get on well and really like working together.” ■