

Norges  
Rederiforbund  
Norwegian  
Shipowners'  
Association

# GUIDELINES

ESG reporting in the shipping  
and offshore industries

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## ABOUT THE GUIDELINES

These guidelines have been commissioned by The Norwegian Shipowners' Association (NSA) and developed by The Governance Group in collaboration with the NSA and a reference group consisting of several member companies.

Comments have also been provided by individual shipping companies, and by steering committees members within the NSA.

These guidelines were issued in February 2020 and will be updated by the NSA on a regular basis to ensure that relevant changes in expectations, standards and requirements are properly reflected.

# Preface

By Harald Solberg

CEO  
the Norwegian Shipowners' Association

Our current prosperity and our modern society are built around the opportunities that the oceans have provided. For millennia, the sea - the main artery of globalization - has linked people together across continents. The ocean has yielded food and energy for an ever-growing population, and trade between countries and continents has laid the foundation for social development, economic growth and reduced poverty.

An important part of our mission is to find international solutions to the challenges we face. Sustainability, whether referring to environmental, social or governance factors, is an area where the Norwegian Shipowners' Association has contributed to important progress. We facilitate cooperation between our members, we lead the dialogue with regulatory authorities as well as the International Maritime Organization (IMO) and various bodies of the United Nations – to ensure that the right decisions are being made.

Managing Environmental, Social and Governance (ESG) issues at company level is key to the sustainability of our industry. Establishing effective principles and procedures, training employees and ensuring the integrity in business operations are part of conducting business in a responsible manner. My impression is that our members have an inherent pride in their businesses – they are in it for the long term, and they do not want to cut corners. However, the focus on sustainability and the term ESG have not had the time to mature in some parts of the sectors we support. By systematizing processes to ensure that ESG is duly managed, much has been achieved, yet there is also a need to be transparent: Reporting publicly highlights how a company is working to implement ESG in strategies and business operations. Publicly reported ESG targets are



more likely to materialize; what gets measured gets done.

At this point in time, it is worth acknowledging that there are more than 230 different sustainability reporting initiatives for various sectors. Also, a number of rating agencies, i.e. Sustainalytics and ISS, assess the companies' ESG approaches.

Our view is that sustainability matters independently of how it is reported. ESG management and reporting are natural parts of how a company should be run responsibly. By issuing these guidelines – we believe it will be easier for our members to ensure that their ESG reports include the most relevant disclosures, in a way that ensures consistency across the shipping and offshore industries.

A sustainability report should demonstrate how a company systematically addresses its impact on environmental, social and governance factors. In these guidelines, the proposed indicators have been chosen to reflect what most companies within shipping and offshore segments are likely to find relevant. However, it is important to note that assessing the materiality in a systematic manner is recommended: A company may need to adapt its reporting to different stakeholders, be it investors, civil society organisations, banks or employees in various geographies where the company operates.

We trust this report will be a helpful tool in structuring your company's ESG reporting so that the disclosures become useful for both internal and external stakeholders. Long term economic success can only be achieved when being aware of all material issues that may impact the business – as such, sustainability reporting matters.

# Introduction



Successful companies operate in a sustainable manner: They create profits today and in ten years' time, without undue negative impacts on the society or the environment.

Public attention to social and environmental impacts of businesses is on the rise. Companies need to communicate how they manage environmental, social and governance (ESG) factors to their stakeholders. A sustainability report should demonstrate how a company systematically addresses ESG factors in its core operations. In particular, the financial sector is increasingly demanding specific and comparable ESG information to be used for investment analyses and in some cases credit pricing processes. The marine insurance industry<sup>1</sup> is also currently discussing ESG risks and principles and assessing how ESG factors should be integrated into the insurance processes.

ESG-disclosures were first required by investors who were searching for candidates to include in ethical or environmental funds or simply looking to exclude the worst companies within each sector. However, an increasing number of financial firms have started including sustainability criteria in their standard company analyses, as the industry itself is facing more

stringent ESG-related regulations of its products and services. This is based on the notion that good governance within sustainability leads to better financial results and a more resilient business model. Consequently, ESG reporting increasingly needs to be tailored to the ESG assessments conducted by research firms such as Sustainalytics, MSCI, Bloomberg and ISS. These assessments are based on publicly available information and place the responsibility on companies to disclose relevant and accurate sustainability information.

Being able to report publicly on sustainability practices and performance is increasingly tied to financial and legal reporting requirements. The maritime industry should therefore prepare for more stringent ESG reporting which covers the industry's material topics in line with legal requirements and the financial industry's need for information.

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<sup>1</sup> International Union of Marine Insurance, December 2019

## LEGAL REQUIREMENTS

Various national and regional legal obligations have emerged over the last decade. The Norwegian Accounting Act §3.3.c requires all “large companies” – primarily stock listed companies and financial institutions – to report on their sustainability practices. This is specified as policies, practices and results related to human rights, working conditions, anti-corruption and the environment. In parallel, the EU Directive on Non-Financial Reporting from 2014 puts similar reporting requirements on large companies in the EU (Directive 2014/95/EU), and countries like the UK and France also have specific reporting requirements.

The United States has no specific non-financial reporting regulations, however, recent hearings in the House of Representatives on ESG disclosure and in the Senate on climate change disclosure have spurred interest. While it is unlikely that ESG disclosure will be regulated in the foreseeable future, there is already a disclosure requirement in the Securities Exchange Commission (SEC): If companies determine that ESG topics are “material” to financial performance, companies should consider the appropriate disclosure.

## FINANCIAL INDUSTRY REQUIREMENTS

The financial sector is broadening and deepening its requirements for ESG information in a manner that creates new challenges for companies. Moreover, recent legal interpretations maintain that an asset manager’s failure to consider ESG factors may be a breach of fiduciary responsibility. Discussions are also being held with regards to the legal responsibility of boards, accountants and auditors to provide correct ESG information.

Banks and insurance companies are working on different pricing models to integrate sustainability factors into credit processes and insurance risk premium assessments.<sup>2</sup> ESG information is also beginning to count in credit ratings of companies. This demonstrates the need for standardised and reliable ESG information from a financial perspective. The Norwegian Financial Supervisory Authority’s report on climate risk underlines that asset managers must expect tighter controls with the marketing of so-called “green” investment products. Customers must receive correct and complete information about the

investment products’ characteristics and costs – “greenwashing” will be sanctioned.<sup>3</sup> This is underscored by the EU Commission’s 2019 guidelines and requirements for what can be marketed as sustainable financial products and services.<sup>4</sup>

Several ESG-related products and services also require financial institutions to request ESG reporting from companies, i.e. green bonds, social/sustainability bonds and loans, green funds, low-carbon funds, impact investment funds etc.

In 2019, the Poseidon Principles were established by 13 leading banks, jointly representing approximately USD 100 billion in shipping finance. The principles represent a framework for assessing and disclosing the climate alignment of ship finance portfolios. By disclosing climate alignment, it will be possible to gain insight to the portfolio in terms of environmental impacts and climate risks: This may in turn lead to the inclusion of climate considerations in lending decisions, however the practice is still in its infancy. Similar financial industry requirements related to responsible ship recycling are also included in financial transaction documents by banks that have signed the Responsible Ship Recycling Standard (RSRS).

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<sup>2</sup> Bank of England/PRA, Enhancing banks’ and insurers’ approaches to managing the financial risks from climate change, SS3/19, April 2019

<sup>3</sup> Report – Climate risk and financial institutions, Finanstilsynet, June 21 2019

<sup>4</sup> Technical Expert Group (TEG) on sustainable finance, Taxonomy, European Commission, June 18 2019

# ESG reporting explained

## THE NEED FOR RELIABLE DATA

ESG reporting should address the disclosure needs of several stakeholders; it must cover legal requirements and be aligned with the financial sector's need for information, in particular with ESG assessments produced by ESG research firms. It should also meet the information needs from customers, employees and provide the company management and board with an overview of current ESG performance.

## GENERAL SUSTAINABILITY STANDARDS

The standards described below are the basis for the recommended disclosures in chapter 4. By reporting according to the criteria in chapter 4, a company ensures that key sustainability metrics and information are made available to internal and external stakeholders. Best practice is to include this information in the annual reports, not only on the company web site or in a stand-alone sustainability report.

Among the hundreds of sustainability reporting frameworks, four initiatives stand out as landmarks in the global reporting landscape. These are applicable regardless of industry and geography:

### GLOBAL REPORTING INITIATIVE (GRI)

GRI is the most widely used international reporting framework for sustainability reporting, with over 90% of the largest companies in the world using this standard. GRI is based on international standards such as the UN Guiding Principles of Business and Human Rights, UN Global Compact and OECD Guidelines for Multinational enterprises.

### SASB

The Sustainability Accounting Standards Board (SASB) aims to help businesses identify, manage and report on the sustainability topics that matter most to their investors. SASB has developed 77 globally applicable industry-specific standards which identify the minimal set of financially material sustainability topics and their associated metrics for the typical company in an industry.

### INTEGRATED REPORTING INITIATIVE (IIRC)

The IR framework is a format for reporting on how six capitals - financial, manufactured, human, social and relationship, intellectual and natural – are utilized to create value. The purpose of the Framework is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them.

### UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The 17 Sustainable Development Goals (SDGs) define global sustainable development priorities and aspirations for 2030. The SDGs call for worldwide action among governments, business and civil society to end poverty and create a life of dignity and opportunity for all, within the boundaries of the planet. While not a reporting framework per se, many businesses refer to the SDGs in their reports.

For listed companies, please note that Oslo Børs launched a guideline for ESG reporting in January 2019, underlining the need to base reporting on material sustainability topics.<sup>5</sup>

<sup>5</sup> Guidelines to issuers for ESG reporting, Euronext, January 13, 2019

## TOPIC AND INDUSTRY-SPECIFIC STANDARDS

In addition to the four reporting standards outlined above, there are topic-specific standards and industry-specific standards. Each of the initiatives has a separate purpose, however the CDP covers some of the elements relating to climate risks that are mapped through the Task Force on Climate-related Financial Disclosures.

### TCFD

- The Task Force on Climate-related Financial Disclosures (TCFD) was established in December of 2015 to develop a set of voluntary climate-related financial risk disclosures that enables investors and the wider public about the risks a company may face related to climate change.
- The TCFD recommends 11 disclosure items structured around governance, strategy, risk management and targets related to climate risks. The TCFD has gained considerable momentum and is now the international reference point for both the financial community and governments.

### CDP

- CDP is the largest reporting framework for climate information and the annual ranking from CDP is actively used by analysts within the financial industry.
- More than 5500 companies report via CDP, and the database encompasses close to a fifth of global climate emissions. CDP is backed by over 800 institutional investors with over USD 100 trillion in assets under management.

### The Poseidon Principles

- The Poseidon Principles were established in 2019 by 13 leading banks in collaboration with major industry players. The signatory banks commit to improving the role of maritime finance in addressing global environmental issues.
- The IMO has an ambition to reduce shipping's total annual GHG emissions by at least 50% by 2050, and the expectation behind the Poseidon Principles is that signatories who are not aligned with the trajectory may want to improve their score and the representation of their bank. However, the Poseidon Principles contain no articulate recommendations or target-setting requirements concerning CO2 emissions.
- Even if several banks important to the shipping industry have committed to the principles, it is still unclear if, when and how ship emission profiles will impact the terms of credit. Given the increased climate risk scrutiny on banks from financial supervisory authorities, it is natural to assume that credit risk assessments in the intermediate future will include emission profiles - the Poseidon Principles will enhance banks ability to conduct such evaluations.

### Responsible Ship Recycling Standard

- Hundreds of ships are recycled every year, a process that often entails significant environmental pollution and health risks for people.
- The aim of the RSRS initiative is for shipping companies to observe minimum standards of occupational safety and environmental protection when scrapping their ships.
- The RSRS works to incorporate scrapping clauses in accordance with international standards such as the Hong Kong Convention, into loan agreements. The banks ABN Amro, ING and NIBC established the Responsible Ship Recycling Standards (RSRS) in 2017, and number of Nordic banks, such as Nordea, DNB, SEB and Export Credit Norway have signed the initiative.

# ESG reporting for the shipping and offshore industries

## BEST PRACTICE ESG REPORTING

Generally, the financial markets prefer ESG reporting that outlines clear ESG targets, performance against those targets – preferably over a 3-5-year horizon – and relevant governance information on how material issues are managed by the company. A critical success factor is to focus on material ESG topics for the company and its stakeholders; the company needs to assess which topics are material to them, the industry and its stakeholders, and avoid lengthy reporting on less relevant topics. Below is an outline of how a company should perform a materiality assessment and a short description of generally agreed material topics for the shipping and offshore industries.

## MATERIALITY ASSESSMENT

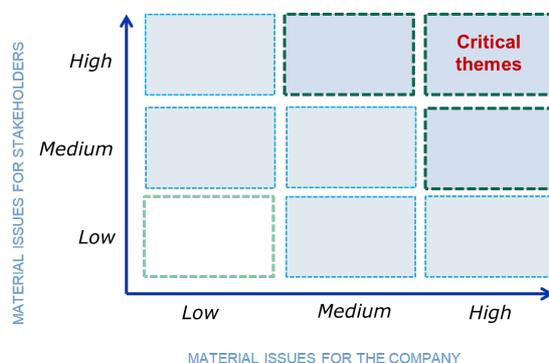
A materiality assessment seeks to identify which ESG topics are material for the company to report on. Conducting a materiality assessment is therefore important to ensure that the right kind and amount of information is disclosed. The assessment is also an important foundation for a company's resource allocation and contributes to the strategic work of the company.

The assessment considers the level of materiality of a topic against two parameters; 1) impact on the company's own value creation, and 2) impact on external stakeholders. A preliminary list of relevant topics should be developed in advance, to be considered by both internal and external stakeholders.

Impacts on external stakeholders are usually identified through dialogues with the company's stakeholders such as owners, customers, financial institutions, and civil society. Impacts on the company's value creation is identified internally in the company through interviews with top management and surveys of key internal functions. It is important to include all levels of the organization, e.g. operational, management, and possibly board of directors, to map out where the risks and opportunities are.

It is important to secure the independence and integrity of the process and for stakeholders to feel free to voice their opinions.

The materiality assessment can be presented in a matrix that illustrates how the different topics are ranked against the two different parameters (see example). The topics appearing in the upper right corner of the matrix are highly material to both external stakeholders and to the company itself and should therefore be the focus in the report.



## MATERIAL ISSUES

This section outlines issues typically deemed material by the financial sector, including banks, institutional investors and insurers. Items listed are a condensed set of material issues identified specifically for the maritime industry by the GRI, SASB and the financial industry<sup>6</sup>.

The list of material issues provides an overview of issues that can be useful for companies that do not have the capacity to carry out a full materiality assessment with external and internal stakeholders. The aim is to provide guidance and

<sup>6</sup> Sources: ESG ratings from MSCI, Bloomberg, Sustainalytics and the credit rating agencies S&P, Moody's and Fitch.

harmonization of reporting across the industry and ensure at minimum a focus on issues deemed material to the industry based on trustworthy sources.

## ENVIRONMENT

### **Emissions and energy reduction**

The main concern is GHG emissions and the ability to meet stricter climate-related regulations, but also concern over air pollution emission from ships, including Nitrogen Oxides (NOX), Sulphur Oxides (SOX) and Particulate Matter (PM) in harbour areas.

### **Biodiversity and marine pollution**

The main concern is the transfer of invasive species through i.e. ballast water, impact on marine life from anti-fouling chemicals, insufficient on-board waste management, spills and responsible environmental practices for newbuilds and ship recycling practices.

## SOCIAL

### **Health, safety and security**

The main concern is workers' health and safety, particularly the industry's high accident and fatality rates, and security concerns related to piracy and other threats to assets or crews<sup>7</sup>. Reporting should cover Health, Safety and Security practices for own employees, as well as contracted personnel and health and safety issues related to newbuilds and ship recycling.

### **Labour and human rights**

The main concern is possible non-compliance with general labour and human rights standards, particularly related to the use of short-term contracts and temporary employment through manning agencies, which may weaken worker's rights. Several cases of modern slavery have been uncovered in the value chain in recent years, particularly involving migrant worker at yard. Reporting should cover how the company approaches labour and human rights for its own employees, as well as in the value chain, particularly related to contracted workers and yard workers for newbuilds and ship recycling.

## GOVERNANCE

### **Anti-corruption**

As an industry, shipping is highly vulnerable to corruption and the demand of facilitation payments, a vulnerability that increases with the widespread use of agents, brokers and intermediaries in the industry. The reporting should address how the company manages corruption risk and be transparent about challenges.

### **Accountability and transparency**

The industry's supranational nature implies that it is sometimes challenging to select a level of public disclosures which satisfies all relevant audiences. However, it is recommended that the report should explain how the company's governance structure safeguards compliance with legal requirements, potential sanctions and industry standards, and how the company ensures accountability and transparency in its operations.

# Proposed set of indicators

Below is a list of environmental, social and governance (ESG) indicators recommended by The Norwegian Shipowners Association.

Guidance on how to report and use the indicators:

- Reporting on all indicators is recommended for full and transparent disclosure on all material topics.
- Indicators with a **green background** are recommended as a **starting point** for new reporters, and as a minimum for all members.
- The report, or an executive summary, should be included in the annual report. Additional information can be provided in separate ESG reports, on the company web site, through the CDP questionnaire etc.
- Time series can be provided to indicate performance trends, as available and relevant.
- References in bold are the main references for further information on definitions and data points. Other relevant references, including the UN Sustainable Development Goals, are also listed.

## ENVIRONMENT

TOPIC	ACCOUNTING METRIC	UNIT	REF
Climate risk and climate footprint	<b>Scope 1 GHG emissions</b> Gross global Scope 1 GHG emissions (i.e. fuel consumed) to the atmosphere, in line with the GHG Protocol.	Metric tonnes CO <sub>2</sub> -eq.	<b>SASB TR-MT-110a.1</b> <b>GRI 305-1</b> Poseidon Principles SDG 13 CDP C6-C8 IMO initial strategy on reduction of GHG emissions from ships, MEPC.304(72)
	<b>Scope 2 GHG emissions</b> Gross global Scope 2 GHG emissions (i.e. purchased electricity) to the atmosphere, in line with the GHG Protocol.	Metric tonnes CO <sub>2</sub> -eq. (location based and market based approach)	<b>GRI 305-2</b> SDG 13 CDP C6-C8
	<b>GHG emission intensity</b> GHG emissions (Scope 1 and if possible, Scope 2) divided by transport work (tonne x nautical miles), or other relevant proxies for value creation. EEOI, AER or similar efficiency indicators can also be reported.	Ratio e.g. g CO <sub>2</sub> / t-nm	<b>GRI 305-4</b> SDG 13
	<b>GHG emission management</b> Description of long-term and short-term strategy or plan to manage GHG emissions, emissions reduction targets, and an analysis of performance against those targets.	Text	<b>SASB TR-MT-110a.2</b> GRI-DMA 305-1 GRI 305-5 SDG 13
	<b>Climate risk reporting</b> Reporting on climate related risks and opportunities in line with the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) – with a specific focus on stress-	Text	<b>TCFD</b> GRI 201-2 SDG 13 CDP C1-C4

	testing the strategy in light of the Paris agreement and the IMO 2050 CO2 reduction target.		
	<p><b>Energy mix</b></p> <p>The total amount of energy consumed as an aggregate figure, in gigajoules (GJ), the percentage of energy consumed that was supplied from 1) heavy fuel oil and 2) the percentage of energy consumed that is renewable/low-carbon energy.</p>	Gigajoules, Percentage (%)	<p><b>SASB TR-MT-110a.3</b></p> <p>GRI 302-1</p> <p>SDG 13</p> <p>CDP C8</p>
Air pollution	<p><b>Sulphur emissions</b></p> <p>Policy for compliance with sulphur regulations including global sulphur limits and relevant Emission control area (ECA) limits.</p> <p>Report a) the percentage of the fleet that has scrubbers installed and b) target percentage of the fleet that will have scrubbers installed.</p>	Text/figure	MARPOL Annex VI Reg. 14 (IMO Global Sulphur Cap 2020)
	<p><b>Other air emissions</b></p> <p>Emissions of other significant air pollutants, i.e. NOX, SOX, PM, VOC, Black Carbon etc.</p>	Metric tonnes (t)	<p><b>SASB TR-MT-120a.1</b></p> <p><b>GRI 305-7</b></p> <p>SDG 3</p> <p>MARPOL Annex VI Reg. 13</p> <p>MARPOL Annex VI Reg. 14</p>
Ship recycling	<p><b>Responsible ship recycling</b></p> <p>Policy for recycling of ships.</p> <p>Number of ships recycled during the reporting period with measures taken to ensure responsible recycling.</p>	Text/figure	<p><b>Hong Kong Convention</b></p> <p><b>EU Ship Recycling Regulation (EU 1257/2013)</b></p> <p><b>Norwegian «Forskrift om gjenvinning av skip og flyttbare innretninger» FOR-2018-12-06-1813</b></p> <p>SDG 8, 12, 14</p>
Ecological Impacts	<p><b>Shipping duration in marine protected areas and areas of protected conservation status</b></p> <p>The shipping duration spent in marine protected areas or areas of protected conservation status, where shipping duration is the sum of the travel days (24-hour periods or fractions thereof), including time spent docked at ports.</p>	Number of travel days	<p><b>SASB TR-MT-160a.1</b></p> <p><b>SDG 14</b></p> <p>GRI 304-2</p> <p>UNEP World Conservation Monitoring Centre (UNEP WCMC)</p>
	<p><b>Number and aggregate volume of spills and releases to the environment</b></p> <p>The total number of spills and releases to the environment (water, soil and air) and the aggregate volume of potentially harmful spills and releases in cubic meters.</p> <p>Spills include all accidental spills and releases – substance that have escaped their containment – of i.e. gas, fuel, hydraulic and lube oil in addition to chemicals and bulk cargoes.</p>	Number, Cubic meters (m3) or Metric tonnes	<p><b>SASB TR-MT-160a.3</b></p> <p>SDG 14</p> <p>GRI 306-3</p>

## SOCIAL

TOPIC	ACCOUNTING METRIC	UNIT	REF
Accidents, Safety and Labour Rights	<p><b>Lost time incident rate (LTIR)</b></p> <p>The lost time incident rate (LTIR) for work-related injuries and illnesses that results in absence from work beyond the date or shift when it occurred.</p> <p>Calculation: (lost time incidents) / (1,000,000 hours worked).</p>	Rate	<p><b>SASB TR-MT-320a.1</b></p> <p><b>GRI 403-9</b></p> <p>IMO ISM Code</p> <p>SDG 8</p>
	<p><b>Or Lost Time Incident Frequency (LTIF)</b></p> <p>Calculation: (lost time incidents * 1,000,000) / (number of Exposure Hours)</p> <p>For seafarers there are 24 exposure hours per day, hours worked is not a relevant part of the calculation.</p>	Rate	<p><b>SASB TR-MT-320a.1</b></p> <p><b>GRI 403-9</b></p> <p>IMO ISM Code</p> <p>SDG 8</p>
	<p><b>Diversity</b></p> <p>Diversity of workforce, top management and board of directors according to gender and other indicators of diversity where relevant, e.g. age group, minority or vulnerable groups.</p>	Percentage (%)	<p><b>GRI 405-1</b></p> <p>SDG 5, 10</p>
	<p><b>Labour rights</b></p> <p>Description of policies regarding the freedom of organisation and collective bargaining agreements.</p>	Text	<p><b>GRI 102-41</b></p> <p>SDG 8</p>
	<p><b>Port state control</b></p> <p>Number of (1) deficiencies and (2) detentions received from regional port state control (PSC) organizations.</p>	Number	<p><b>SASB TR-MT-540a.3</b></p> <p>SDG 8, 14</p>
	<p><b>Marine casualties</b></p> <p>Number of marine casualties, percentage classified as very serious, as defined the Norwegian Maritime Directorate.</p>	Number	<p><b>SASB TR-MT-540a.1</b></p> <p>SDG 8</p>

## GOVERNANCE

TOPIC	ACCOUNTING METRIC	UNIT	REF
Business Ethics	<b>Corruption risk</b> Number of calls at ports or net revenue in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Number or value (reporting currency)	<b>SASB TR-MT-510a.1</b> SDG 16
	<b>Facilitation payments</b> Number of incidents where bribes have been requested.	Number	<b>SDG 16</b>
	<b>Fines</b> Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and/or regulations.	Figure Reporting currency	<b>GRI 419-1</b> SASB TR-MT-510a.2 SDG 16
ESG governance	<b>Policies and targets</b> Description of main policies and targets: <ul style="list-style-type: none"> <li>• ESG related policies and procedures</li> <li>• ESG related targets and performance against target</li> <li>• Description of stakeholder engagement and grievance mechanisms</li> <li>• Supply chain management, i.e. ESG requirements and monitoring of agents and suppliers, in particular for yards (new builds and recycling)</li> </ul>	Text	<b>GRI Disclosure of Management Approach</b>

# Annexes

## ANNEX 1: GLOSSARY AND ABBREVIATIONS

### **SUSTAINABILITY**

The concept was introduced in 1987 when the Brundtland Commission defined sustainable development as resource utilisation that meets the needs of the present without compromising the ability of future generations to meet their own needs. Corporate sustainability entails managing a business in a manner that ensures that decisions made today will accommodate the economic, environmental and social conditions in the future.

### **ESG**

ESG is an acronym for “Environmental, Social and Governance” factors. Pollution and energy consumption are examples of environmental factors, human rights and labour conditions are examples of social factors, and compliance with laws and internal company control mechanisms are examples of governance factors.

### **THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)**

The UN SDGs, adopted by all United Nations Member States in 2015, sets out 17 sustainable development goals (SDGs). The goals recognise that ending poverty and other deprivations must go hand-in-hand with strategies to improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve oceans and forests. The goals cover both developing countries and industrialised countries and have been broadly endorsed by corporations and investors.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

To engage in CSR means that, in the normal course of business, a company is operating in ways that enhance society and the environment, instead of contributing negatively to them. CSR is often used synonymously with sustainability.

### **COMMUNITY ENGAGEMENT**

The term “community engagement” is primarily used to describe corporate activities such as contributions to charitable organisations, culture and sports, or support for volunteer work and active involvement in political issues. It is used less to refer to responsible practices within a company itself.

### **SOCIAL RESPONSIBILITY**

The term “social responsibility” refers to the social justification a business has by virtue of the products or services it provides. Important social tasks may be, for example, to supply electricity, infrastructure, health care and education, and the term is often used in reference to companies in these sectors.

### **GHG**

Greenhouse Gas Emissions

### **TCFD**

The Task Force on Climate-related Financial Disclosures

### **CDP**

Carbon Disclosure Project

## ANNEX 2: RESOURCES

[SASB Marine Transportation Standard](#)

[GRI](#)

[TCFD](#)

[CDP](#)

[UNEP WCMC](#)

[Guidelines to issuers for ESG reporting \(Euronext\)](#)

[IMO 2020](#)

[Hong Kong Convention](#)

[Poseidon Principles](#)

[Responsible Ship Recycling Standards](#)

[Norwegian Maritime Directorate \(definition of marine casualties\)](#)

[Norwegian «Forskrift om gjenvinning av skip og flyttbare innretninger» FOR-2018-12-06-1813](#)



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