

Norwegian Shipowners' Association ESG webinar

The greening of ship finance

Reflections on expectations, assessments and reporting regarding ESG in shipping

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Some reflections

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Your Financial Partner

- **ESG reporting expectations developing. Good initiative by NSA!**
- **The importance of industry driven ESG agenda and standards, and stakeholder engagement.**
- **ESG assessment is more than reporting alone. Also other sources and input.**
- **Our key expectations are to active positioning, engagement, goals and development, and transparency.**
- **Focus on development in the right direction rather than absolutes (although there are some)**
- **ESG factors are increasingly affecting access to and price of capital, although price differentiation so far is low and slow. Likely to change!**

ESG – A formal part of all credit and business decisions

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SOURCES of information

- **Customer interactions**
 - Meetings
 - Transaction and negotiations
- **Customers' ESG reports / policies**
 - Programmes, goals, KPIs
 - Measured performance
- **Customers' business practices**
 - Actual business conduct
 - Collaborations
 - Incidents
- **Third party ESG ratings**

ESG Risk

Environmental
Social
Governance
factors

IMPLICATIONS for DNB

- **Customer selection**
 - Who we bank with
 - **Capital allocation**
 - Who gets priority
 - **Credit decisions**
 - What we will finance
 - **Customer monitoring**
 - Low, Medium or High Risk?
- **Opportunities?**

Typical ESG risks in shipping

Environmental, Social and Governance related risks (non exhaustive!)

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Climate

Safety

**Pollution
and waste**

**Tax and
Transparency**

Corruption

Ship Recycling

**AML /
terror
finance**

**Labour
standards**

Internal ESG ("CESG") risk assessment

Simplified example

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Your Financial Partner

Climate

Environment

Social

Governance



Industry General

Policies and programmes
Board and management oversight
Management systems
Internal training
Certifications

International standards
Transparency, disclosure, reporting
Performance, incidents
etc

Recycling

Relevant KPIs for above areas

Shipping specific, e.g.:

Extended re AML, corruption, sanctions etc

Thank you!

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