



The Norwegian Export Credit
Guarantee Agency

Due Diligence and expectations from clients in shipping and ship building

May 19th, 2020
ESG webinar

IFC Performance Standards



PS1: Assessment and Management of E&S Risks and Impacts



PS2: Labor and Working Conditions



PS3: Resource Efficiency and Pollution Prevention



PS4: Community Health, Safety and Security



PS5: Land Acquisition and Involuntary Resettlement



PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources



PS7: Indigenous Peoples

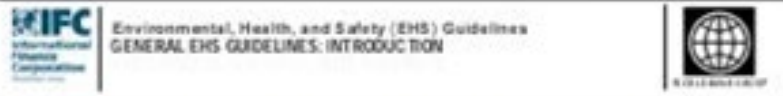


PS8: Cultural Heritage

GUIDING PRINCIPLES ON BUSINESS AND HUMAN RIGHTS

Implementing the United Nations "Protect, Respect and Remedy" Framework

UNITED NATIONS HUMAN RIGHTS OFFICE OF THE HIGH COMMISSIONER



Environmental, Health, and Safety General Guidelines



Shipyard evaluations

- Large part of GIEK portfolio is ship related
- Have worked with the Norwegian industry to promote:
 - Awareness of labour conditions at foreign yards
 - Importance of good contractual agreements with the yards
 - Importance of working with yards over time to improve conditions
- Shipyard evaluation with:
 - GIEK
 - Norwegian customer
 - Local consultant
- Action Plan - agreed on and followed up by customer



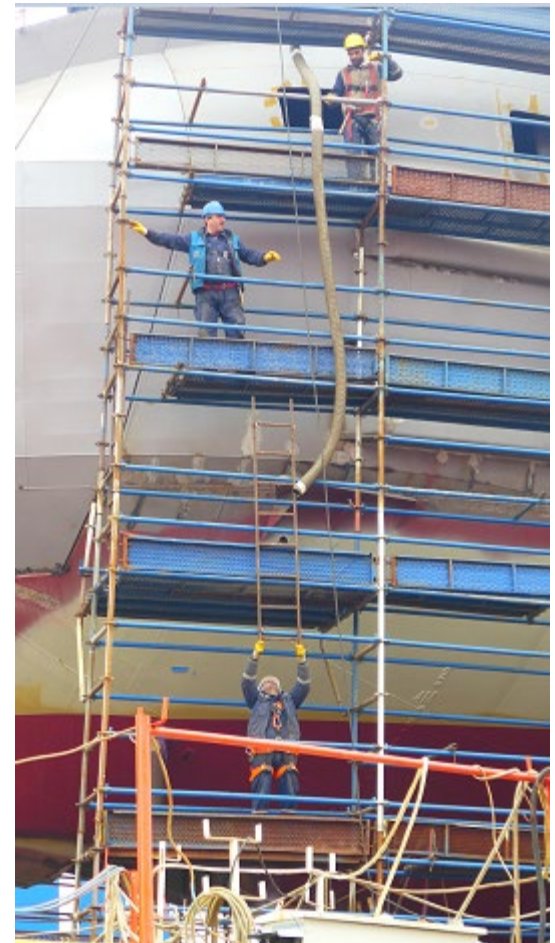
Shipyards are evaluated with a focus on Health and Safety /SA 8000

- Meeting local laws
- Child Labor
- Forced and compulsory labor
- Health and Safety
- Freedom of association and right to collective bargaining
- Discrimination
- Disciplinary practices
- Working hours
- Remuneration
- Management systems



Assessment of:

- Policies & Procedures
- Internal Social Performance Team
- Worker Involvement & Communication
- Complaint Management & Resolution
- Risk Assessment & Monitoring
- Corrective Action Plan
- External Stakeholder Engagement
- Training & Capacity Building
- Management of Suppliers & Contractors



Issues - vary from country to country

- Migrant labour
 - Agent fees
 - Poor living conditions
 - “safekeeping” of passports
 - Language issues
 - contracts
- Worker representation (also when limited in local law)
- Monetary fines/ disciplinary actions
- Grievance mechanism
- Control over payment to sub-contracted workers
- Work hours and time off
- Payment of overtime
- Extensive use of “self-employed” workers

- Contracts – ability to audit



Norge vil skjerpe kontrollen av polske verft

Teknisk Ukeblad 12.06.2017



EUROPE

Cash for Kim: How North Koreans Are Working Themselves to Death in Europe

By Christian Vonscheidt and Miriam Wells

May 23, 2016 | 1:20 pm

Nordkoreanske slavearbeidere bygget skroget til «norsk» skip

Fartøyet Esvagt Njord ble levert fra det norske verftet Havyard i 2016. Nå viser det seg at nordkoreanske slavearbeidere har vært med på å bygge skroget til skipet hos en underleverandør i Polen.



Måtte svare ILO om utstrakt bruk av nordkoreanere.



Kristelig Folkepartis Kjell Ingolf Ropstad (innfelt) er ikke i tvil om at de nordkoreanske arbeiderne som blant annet har jobbet på Crist-verftet i Gdynia, nå avslører Teknisk Ukeblad. (Bildet: Lars Taraldsen/Øyvind Lie)

NORD-KOREANSKE SLAVEARBEIDERE ARBEIDET PÅ NORSKE SKIP

Polske myndigheter om arbeiderne fra Nord-Korea: - De får i alle fall handle i butikken på egen hånd

- Med et slikt resonnement kan du utsette mennesker for mange forferdelige ting, sier KrF.



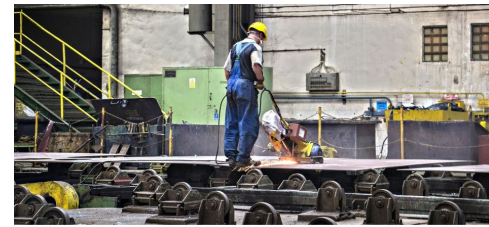
AV: LARS TARALDSEN | SKIP | PUBLISERT: 9. FEB. 2017 - 11:32

FN-sambandet / Nyheter /

Polen anklages for å bruke nordkoreanske slavearbeidere

Publisert: 14.08.2017 - Terje Karlsen Jonas Iversen

Polen fikk kritikk på FNs arbeidskonferanse etter beskyldninger om brudd på konvensjonen om tvangsarbeid.



NORSKE REDERIER I SLAVEKANDALE: En arbeider av ukjent nasjonalitet kutter ståll ved Crist-verftet i Gdynia. Nå avslører Teknisk Ukeblad. Les mer

Teknisk Ukeblad: Nordkoreanske slavearbeidere bygde skip for norske rederier

Et verft i Polen skal ha brukt nordkoreanske slavearbeidere i byggingen av

Polish firms employing North Korean 'slave labourers' benefit from EU aid



Ber regjeringen hindre norske selskaper i å benytte slaver



Nei, personlig ser vi ikke noe til pengene.

08.06.2020

Operational Phase: Shipping and Maritime Sector

- The class of the ship
- Management systems for health, safety and environment, as well as for labor and employment.
Relevant certifications such as ISO 9001 and ISO 14001, etc



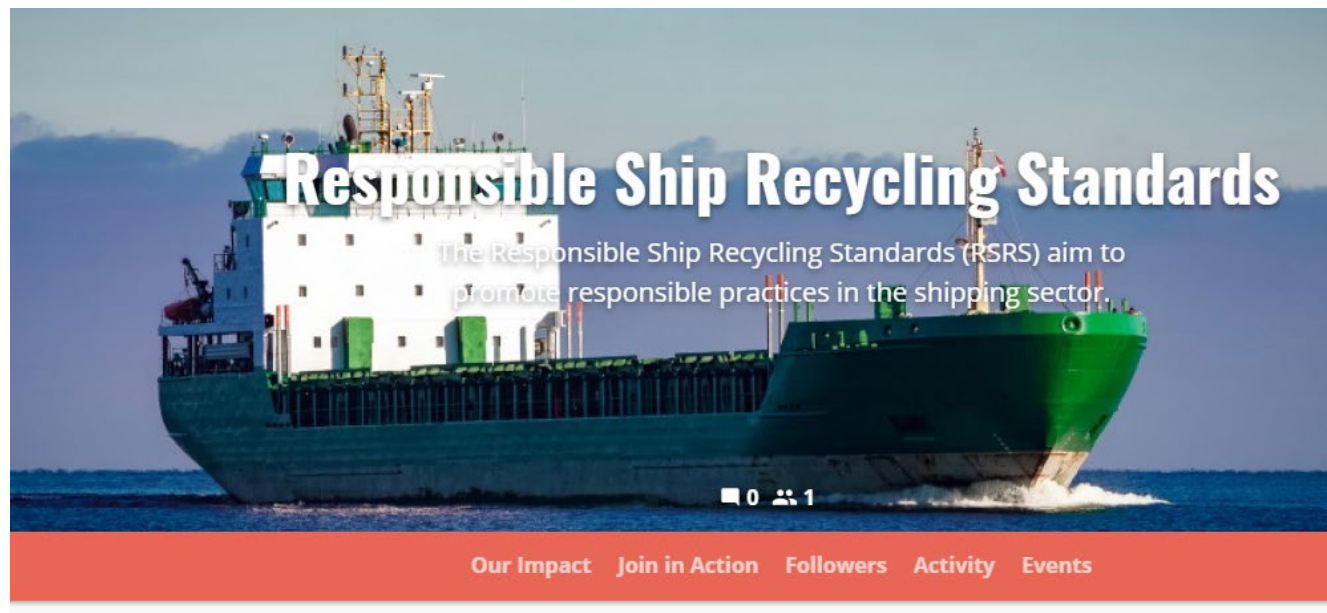
<https://www.maritimeinfo.org/en/Maritime-Directory/a-ships-life>

- The flag, or intended list of flags for the vessel. GIEK accepts flags that are on the Paris white list based on the [International Chamber of Shipping](#) flag state performance list.
- Confirmation that the ILO Maritime Labour Convention 2006 is followed.
- Information as to whether the vessel will operate in environmentally sensitive areas, if known (such as the Arctic, RAMSAR protected areas, known fish reproductive areas, etc.) or business that involves possible vulnerable activities (i.e. drilling, seismic testing, dredging, fishing etc.).

What should be required? How to react to incidents and news?



ILO - Work in Fishing Convention 188



ABOUT THE INITIATIVE

Primary SDGs



Secondary SDGs



- Inventories of Hazardous Materials (IHMs);
- Responsible recycling of vessels;
- Adherence to upcoming EU standards

If agreed, these are embedded in covenants of financial contracts for the ship.

Summary:

Challenges and dilemmas

- Lack of information
 - Country
 - Supply chain
 - Company
- Supply chain
 - How far down do we go?
- Prioritization
 - Most likely
 - Most severe
 - Life cycle
 - supply chain
- Leverage
- Cumulative impact
 - IUU fishing vs quota vs local
 - oil and gas expansion effect on livelihoods
- Political considerations
 - West Sahara/ disputed areas
 - Climate change



Local practice vs. International standards



.....a fine balancing act





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Read more on www.giek.no