HELLENIC REPUBLIC

HELLENIC CHAMBER OF SHIPPING

The Hellenic Chamber of Shipping Guide to ESG Reporting

60 YEARS

MOORE Greece

The Hellenic Chamber of Shipping Guide to ESG Reporting

MESSAGE FROM THE PRESIDENT OF THE HELLENIC CHAMBER OF SHIPPING

I am pleased to introduce the new Environmental, Social, and Governance (ESG) Guide to Reporting, developed specifically for the members of the Hellenic Chamber of Shipping.

This guide serves as an invaluable resource to support you in understanding and effectively reporting on your ESG performance and progress.

As the President of the Hellenic Chamber of Shipping, I firmly believe that transparency and accountability are crucial in driving sustainable practices and responsible business conduct within the shipping industry.

By embracing this guide, you will be able to enhance the credibility of your ESG reporting, enabling stakeholders to gain a clear understanding of your efforts in environmental stewardship, social responsibility, and corporate governance.

I would like to express my sincere appreciation to the dedicated team at Moore Greece who have contributed their time and expertise to the development of this guide.

I urge all the members of the Hellenic Chamber of Shipping to utilize this guide as a tool to enhance your ESG reporting practices.

Thank you for your continued support and commitment to the Hellenic Chamber of Shipping.

Together, we can lead the way in shaping a sustainable maritime world for future generations.

Sincerely,

G.D. Pateras

Dr. George Pateras,
President, Hellenic Chamber of Shipping

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1. INTRODUCTION

The Hellenic Chamber of Shipping recognizes the growing importance of ESG reporting in today's business landscape. Investors, stakeholders, and customers are increasingly demanding greater transparency and disclosure of sustainability practices. By developing these ESG reporting guidelines, the chamber aims to meet these expectations and promote responsible business practices within its membership.

The ESG reporting guidelines will outline the key metrics and indicators that members should report on to assess their sustainability performance. The guidelines will also provide guidance on reporting methodologies, data collection, and verification processes to ensure the accuracy and reliability of reported information. By following these guidelines, members will be able to provide consistent and comparable ESG data, enabling stakeholders to make informed decisions and evaluate the sustainability performance of shipping companies.

The Hellenic Chamber of Shipping collaborates with industry experts, sustainability organizations, and regulatory bodies to develop these ESG reporting guidelines. It recognizes the importance of aligning with international reporting frameworks and standards to ensure compatibility and comparability with global reporting practices.

The ESG reporting guidelines will be made available to all members of the Hellenic chamber of shipping. The chamber will also provide training and support to help members understand and implement the reporting requirements effectively.

By implementing these ESG reporting guidelines, the Hellenic Chamber of Shipping aims to drive positive change in the maritime industry. It believes that transparent and accountable reporting will not only enhance the industry's reputation but also contribute to the long-term sustainability of the sector.

Furthermore, the chamber hopes that these guidelines will encourage other shipping organizations globally to adopt similar reporting practices, fostering a culture of transparency and sustainability throughout the maritime industry.

2. ESG IN SHIPPING

2.1 WHY IS ESG IMPORTANT FOR SHIPPING COMPANIES

ESG (Environmental, Social, and Governance) considerations are increasingly important for shipping companies due to several key reasons:

1. Environmental Impact: Shipping is seen to be a significant contributor to global greenhouse gas emissions and air pollution. Embracing ESG practices allows shipping companies to reduce their environmental footprint by adopting cleaner technologies, optimizing fuel efficiency, and implementing sustainable practices. This not only helps mitigate climate change but also improves air and water quality, protecting ecosystems and human health.

2. Regulatory Compliance: Governments and international bodies are implementing stricter regulations and standards to address environmental concerns in the shipping industry. Compliance with these regulations is crucial for maintaining operational licenses, avoiding penalties, and ensuring long-term sustainability. Embracing ESG practices helps shipping companies stay ahead of regulatory changes and demonstrate their commitment to environmental responsibility.

3. Reputation and Stakeholder Expectations: ESG performance has become a significant factor in shaping a company's reputation and brand image. Customers, investors, and other stakeholders increasingly expect shipping companies to operate responsibly and transparently. By prioritizing ESG practices, shipping companies can enhance their reputation, attract socially responsible investors, and build stronger relationships with customers and communities.

4. Risk Management: ESG considerations help shipping companies identify and manage potential risks. For example, climate change-related risks such as extreme weather events and rising sea levels can impact shipping operations, infrastructure, and supply chains. By integrating ESG factors into risk assessments and decision-making processes, shipping companies can proactively address these risks and enhance their resilience.

5. Access to Funds: Investors are increasingly incorporating ESG criteria into their investment decisions. Shipping companies that prioritize ESG practices may have better access to capital, as sustainable investments are gaining traction. By aligning with ESG principles, shipping companies can attract a broader range of investors and also benefit from lower borrowing costs.

2.2 STEPS FOR INTEGRATING SUSTAINABILITY INTO BUSINESS STRATEGY

- Training and Understanding
- Engage Stakeholders
- Identify Material Issues
- Recognise Risks and Opportunities
- Assess ESG indicators and Metrics
- Create Action Plans, Goals and Targets
- Monitor and Report Progress

2.2.1 TRAINING AND UNDERSTANDING

Raising awareness on the main topics of ESG through ESG training, demonstrates an organization's commitment to sustainability and responsible business practices.

It helps management and employees become aware of the environmental, social, and governance issues that are relevant to the day-to-day activities of the company. ESG training is particularly helpful in:

Understanding ESG Metrics and Indicators: ESG training familiarizes individuals with the various ESG metrics and indicators that are relevant to their organization and industry. This includes understanding the definitions, calculations, and sources of ESG data. With this knowledge, individuals can identify the specific data points they need to collect and ensure they are using the appropriate metrics and indicators. ESG training also raises awareness on the available ESG standards and frameworks used to communicate ESG matters with their stakeholders. Please refer to **Appendix A - ESG Standards and Frameworks relevant to the maritime sector**.

Enhanced Decision - Making: ESG training equips employees with the knowledge and tools to consider ESG factors in their decision-making processes. This can include evaluating suppliers based on their sustainability practices, incorporating ESG considerations into product development, or making responsible investment decisions.

Data Quality Assurance: ESG training emphasizes the importance of data quality assurance. Individuals learn how to verify the accuracy and reliability of the data they collect, ensuring that it is consistent, complete, and relevant. Training can also cover data validation techniques and quality control processes.

Reporting and Disclosure: ESG training can provide guidance on reporting and disclosing ESG data. Individuals learn how to compile and present the data in a clear and transparent manner, aligning with recognized reporting frameworks and standards. Training can also cover best practices for communicating the data to stakeholders and ensuring compliance with reporting requirements.

Managing Risk: ESG issues can pose risks to organizations, such as regulatory non-compliance, reputational damage, and supply chain disruptions. ESG training helps employees identify and mitigate these risks, ensuring that they are proactive in managing ESG-related challenges.

Engaging with Stakeholders: ESG training helps employees understand the importance of engaging with stakeholders, such as customers, investors, and local communities, on ESG issues. It provides them with the skills to effectively communicate the organization's ESG performance and respond to stakeholder concerns.

Innovation and Opportunity Identification: ESG training encourages employees to think creatively and identify opportunities for innovation and improvement in sustainability practices. It empowers them to contribute ideas and initiatives that can enhance the organization's ESG performance and create value for stakeholders.

Overall, ESG training for management and employees is important to foster a culture of sustainability but also to help in data gathering for effective ESG reporting.

2.2.2 ENGAGE STAKEHOLDERS

Engaging stakeholders in the maritime industry is crucial for building trust, fostering collaboration, and addressing shared challenges. Effective stakeholder engagement involves active listening, transparent communication, and a commitment to addressing concerns and feedback. It is important to establish long-term relationships based on trust, mutual respect, and shared goals. By engaging stakeholders, the maritime industry can foster collaboration, drive innovation, and collectively work towards a more sustainable and responsible future.

Here are some key stakeholders to consider and strategies for effective engagement:

Stakeholders	How to engage
Customers These stakeholders include charterers, freight forwarder, traders.	• Conduct regular customer surveys and feedback sessions to understand their needs, expectations, and concerns about ESG. • Engage in open dialogue to address charterers-specific requirements and develop tailored solutions. • Communicate sustainability initiatives and performance to demonstrate commitment to responsible practices.
Port Authorities and Terminal Operators: These stakeholders play a vital role in facilitating the smooth operation of companies' vessels and cargo handling at ports.	• Collaborate with port authorities and terminal operators to address common challenges, such as infrastructure development, congestion, and efficiency. • Participate in port stakeholder meetings and forums to discuss operational issues and identify opportunities for improvement. • Engage in joint initiatives to enhance port sustainability, such as reducing emissions and improving waste management.
Government and Regulatory Authorities: These include National and International regulatory authorities or governmental bodies related to maritime regulations, custom requirements and trade policies.	• Participate in industry associations and forums to engage with policymakers and regulatory authorities. • Provide input during the development of regulations and policies that impact the shipping industry. • Collaborate with government agencies to address common challenges, such as environmental regulations and safety standards.

Stakeholders	How to engage
Investors and Financial Institutions: These stakeholders include Banks, Private Equity and Institutional Investors, who have interest in the company’s financial performance and sustainability practices.	• Provide transparent and comprehensive ESG reporting to attract socially responsible investors. • Engage with investors through meetings, conferences, and sustainability-focused events. • Seek partnerships with financial institutions that prioritize sustainable investments and offer green financing options.
Employees: These stakeholders include shore-based employees, seafarers and workers involved in various aspects of the company's operations. Engaging with employees and unions is important for maintaining a positive work environment, addressing labor concerns, and ensuring fair employment practices.	• Foster a culture of open communication and employee engagement through regular meetings, feedback sessions, and surveys. • Provide opportunities for skill development, training, and career advancement. • Collaborate with unions to address labor-related concerns and negotiate fair employment practices.
Local Communities: Companies operate in various port areas and interact with local communities. Engaging with these communities is crucial for addressing environmental and social impacts such as noise pollution and community disruption.	• Engage with local communities in port areas and along shipping routes through community outreach programs. • Conduct regular stakeholder consultations to understand community needs and concerns. • Support local development initiatives, education programs, and environmental conservation efforts.
Industry Associations, Organizations or NGOs: Engaging with these stakeholders allows companies to stay informed about industry updates and collaborate on common issues.	• Join industry associations to stay informed about industry trends, challenges, and best practices. • Participate in industry conferences, workshops, and working groups to share knowledge and collaborate on common issues. • Contribute to the development of industry-wide sustainability initiatives and standards. • Participate in industry initiatives and partnerships focused on environmental protection and conservation. • Seek guidance and expertise from NGOs to improve sustainability practices and mitigate environmental impacts.

Stakeholders	How to engage
Suppliers and Services providers: These stakeholders are important stakeholders for companies' operations. These stakeholders provide goods, services, and expertise necessary for the company's fleet operations. These include classification, flags, P&I, management companies, insurance, shipbuilders, maintenance and repair companies etc.	• Develop a supplier code of conduct that includes ESG principles and require suppliers to adhere to this code. • Assess suppliers' ESG performance and provide guidance to enhance sustainability practices. • Promote transparency through the supply chain by encouraging suppliers to disclose ESG data (carbon emissions, waste management etc). • Establish ongoing dialogue and collaboration including regular meetings workshops and forums.

2.2.3 IDENTIFY MATERIAL ISSUES

Material issues are considered on the 'double materiality' basis, as defined by the European Sustainability Reporting Standards. Please refer to **Appendix A - ESG Standards and Frameworks relevant to the maritime sector**. In specific,

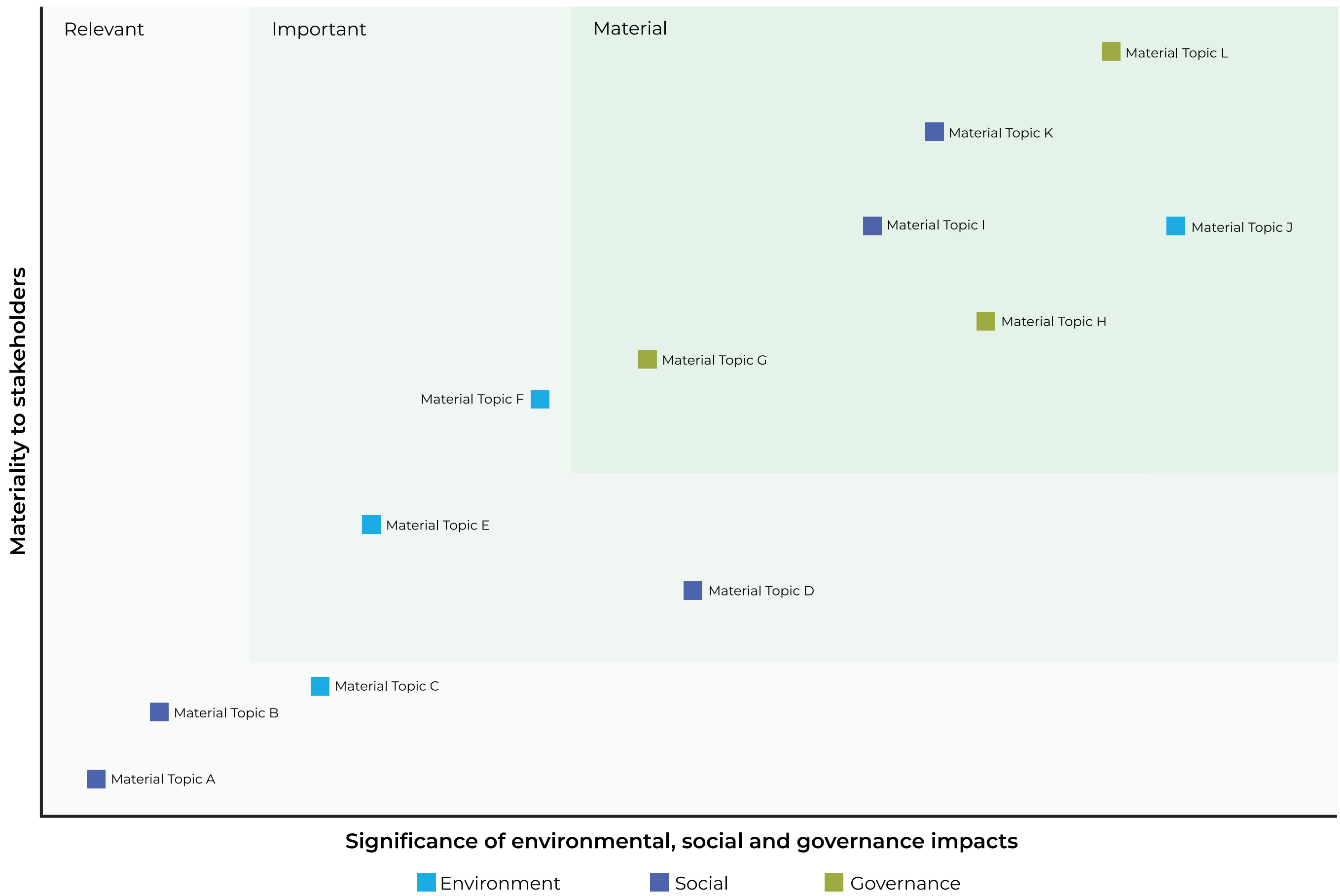
a. Impact materiality

A sustainability matter is material from an impact perspective when it pertains to the undertaking's material actual or potential, positive or negative impacts on people or the environment over the short-, medium-, or long-term. A material sustainability matter from an impact perspective includes impacts caused or contributed to by the undertaking and impacts which are directly linked to the undertaking's own operations, its products, and services through its business relationships. Business relationships include the undertaking's upstream and downstream value chain and are not limited to direct contractual relationships.

b. Financial materiality

A sustainability matter is material from a financial perspective if it triggers or may trigger material financial effects on the undertaking's development, including cash flows, financial position and financial performance, in the short-, medium- or long-term. This is the case when it generates or may generate risks or opportunities that significantly influence or are likely to significantly influence its future cash flows.

Future cash flows, together with other critical factors such as business model, strategy, access to finance and cost of capital, are likely to influence the financial position and financial performance of the undertaking in the short-, medium- or long-term."



Steps to identify material issues using the concept of double materiality:

Stakeholder Mapping: Begin by identifying and mapping your organization's key stakeholders as explained in the previous section. Companies should consider their interests, concerns, and expectations regarding ESG issues.

Internal Assessment: Conduct an internal assessment to identify ESG issues that are material to your organization. Review your organization's strategy, operations, and value chain to identify potential risks and opportunities. Consider the potential financial, operational, reputational, and regulatory impacts of these issues.

External Assessment: Conduct an external assessment to understand the broader ESG landscape and identify external factors that may impact your organization. This can include analyzing industry trends, regulatory developments, emerging risks, and stakeholder expectations. Consider relevant ESG frameworks, standards, and guidelines to inform your assessment.

Materiality Matrix: Develop a materiality matrix that maps the identified ESG issues based on their significance to both your organization and its stakeholders. Plot the issues on a matrix based on their impact and importance. This matrix helps prioritize the most material issues that require attention and action.

Stakeholder Engagement: Engage with your stakeholders to validate and refine the identified material issues. Seek their input, feedback, and perspectives through surveys, interviews, focus groups, and stakeholder consultations. This engagement process helps ensure that the identified issues align with stakeholder concerns and expectations.

Prioritization and Validation: Prioritize the identified material issues based on their significance, urgency, and potential impact on your organization and stakeholders. Validate the materiality assessment through internal and external reviews, including input from senior management, board members, and subject matter experts.

Reporting and Disclosure: Communicate the identified material issues and their management approach in your organization's sustainability reports, annual reports, and other relevant disclosures. Provide transparent and accurate information to stakeholders about how your organization is addressing these issues.

Continuous Monitoring and Review: Regularly monitor and review the materiality assessment to ensure its relevance and accuracy. Stay updated on emerging ESG issues, stakeholder expectations, and regulatory changes that may impact the materiality of issues. Periodically reassess and update the materiality matrix to reflect any changes.

Remember that materiality is not a one-time exercise but an ongoing process that requires continuous monitoring and adaptation

2.2.4 RECOGNIZE RISKS AND OPPORTUNITIES

By recognizing and addressing ESG risks and opportunities, shipping companies can enhance their sustainability, resilience, and long-term value.

Environmental Risks and Opportunities:

- Climate Change: Assess the impact of climate change on shipping operations, including potential disruptions from extreme weather events, sea level rise, and changing weather patterns. Identify opportunities to reduce greenhouse gas emissions, improve energy efficiency, and transition to cleaner fuels.
- Pollution and Waste Management: Evaluate risks associated with air and water pollution, as well as waste management practices. Implement measures to minimize emissions, properly manage ballast water, and reduce waste generation. Explore opportunities for adopting sustainable technologies and practices, such as scrubbers, waste recycling, and alternative fuels.
- Biodiversity and Ecosystem Protection: Recognize the impact of shipping activities on marine ecosystems and biodiversity. Implement measures to minimize underwater noise pollution, prevent the introduction of invasive species, and protect sensitive areas. Explore opportunities for collaboration with conservation organizations and initiatives to support marine ecosystem conservation.

Social Risks and Opportunities:

- Labor and Human Rights: Assess risks related to labor practices, including fair wages, working conditions, and crew welfare. Ensure compliance with international labor standards and promote fair employment practices. Identify opportunities to enhance crew training, well-being, and diversity and inclusion within the workforce.
- Health and Safety: Recognize the importance of maintaining high health and safety standards for seafarers and workers. Implement robust safety protocols, provide adequate training, and prioritize crew welfare. Identify opportunities to enhance safety measures and promote a culture of safety throughout the organization.
- Community Engagement: Engage with local communities in port areas and along shipping routes. Understand and address potential social impacts, such as noise pollution, community disruption, and cultural heritage preservation. Seek opportunities for community partnerships, education, and sustainable development initiatives.

Governance Risks and Opportunities:

- Transparency and Accountability: Ensure transparency in reporting and disclosure of ESG performance. Implement robust governance structures, including clear policies, procedures, and accountability mechanisms. Identify opportunities to enhance corporate governance practices and promote ethical behavior throughout the organization.
- Risk Management: Develop a comprehensive risk management framework that includes ESG risks. Assess and mitigate risks related to regulatory compliance, reputational damage, and financial performance. Identify opportunities to integrate ESG considerations into decision-making processes and enhance risk management practices.
- Stakeholder Engagement: Engage with stakeholders, including investors, customers, employees, and local communities. Understand their expectations, concerns, and feedback regarding ESG issues. Identify opportunities for collaboration, dialogue, and partnerships to address ESG challenges and leverage opportunities.

Climate related risks management:

The shipping sector faces several climate-related risks that can impact its operations, infrastructure, and overall sustainability.

1. Extreme Weather Events: Shipping operations are vulnerable to extreme weather events such as hurricanes, cyclones, and storms. These events can disrupt vessel schedules, damage port infrastructure, and pose risks to the safety of crew and cargo. Increasing frequency and intensity of extreme weather events due to climate change heighten these risks.

2. Sea Level Rise: Rising sea levels pose a significant risk to coastal shipping infrastructure, including ports, terminals, and coastal navigation channels. As sea levels rise, the potential for coastal flooding and erosion increases, impacting port operations, access to berths, and navigation routes. This can lead to disruptions in supply chains and increased costs for shipping companies.

3. Changing Weather Patterns: Climate change can alter weather patterns, including wind patterns and ocean currents. These changes can affect vessel operations, fuel consumption, and voyage planning. For example, shifts in wind patterns may impact vessel speed and fuel efficiency, while changes in ocean currents can affect shipping routes and transit times.

4. Temperature Changes: Rising temperatures can impact shipping operations in various ways. Higher temperatures can lead to increased heat stress for crew members, affecting their health and safety. Additionally, warmer waters can impact marine ecosystems, including the spread of invasive species and harmful algal blooms, which can affect vessel performance and increase maintenance costs.

5. Regulatory Changes: Governments and international bodies are implementing regulations to address climate change, including emissions reduction targets and carbon pricing mechanisms. Shipping companies may face increased compliance costs and operational challenges as they adapt to these regulatory changes. Failure to comply with evolving climate regulations can result in penalties, reputational damage, and restricted access to certain ports or trade routes.

6. Market and Financial Risks: Climate-related risks can also impact the financial performance and market competitiveness of shipping companies. Investors and financial institutions are increasingly considering climate-related factors in their investment decisions. Shipping companies that fail to address climate risks and transition to more sustainable practices may face challenges in accessing capital, securing insurance coverage, and attracting environmentally conscious customers.

2.2.5 ASSESS KEY ESG INDICATORS AND METRICS

ESG indicators and metrics for the shipping sector focus on assessing the environmental, social, and governance performance of shipping companies. Here are some common ESG indicators and metrics specific to the shipping industry:

1. Environmental Indicators:

- Greenhouse Gas (GHG) emissions: Measures the amount of CO_2 and other GHG emissions produced by a shipping company's vessels.
- Fuel consumption and efficiency: Tracks the amount of fuel consumed by ships and evaluates their energy efficiency.
- Air emissions: Assesses the emissions of pollutants such as sulfur oxides (SOx), nitrogen oxides (NOx), and particulate matter (PM) from ships.
- Ballast water management: Evaluates a company's practices for managing ballast water to prevent the spread of invasive species.

2. Social Indicators:

- Seafarer welfare: Assesses a company's commitment to ensuring the well-being, safety, and fair treatment of seafarers onboard their vessels.
- Labor standards: Measures compliance with international labor standards, including fair wages, working hours, and crew welfare.
- Human rights: Evaluates a company's efforts to prevent human rights abuses, such as forced labor or human trafficking, within its operations and supply chain.
- Training and development: Assesses a company's investment in training and career development opportunities for seafarers.

3. Governance Indicators:

- Board diversity and independence: Evaluates the composition of a company's board of directors in terms of diversity and independence.
- Ethics and anti-corruption measures: Measures a company's policies and practices to prevent corruption, bribery, and unethical behavior.
- Compliance with regulations: Assesses a company's adherence to international maritime regulations and industry standards.
- Risk management: Evaluates a company's processes for identifying, assessing, and managing risks related to safety, security, and environmental impact.

It is important to note that the shipping industry is also increasingly focusing on sustainability-related metrics, such as the use of alternative fuels, adoption of clean technologies, and efforts to reduce carbon intensity. These metrics can include the percentage of vessels using low-carbon fuels, investments in energy-efficient technologies, and the implementation of emission reduction strategies.

As the shipping sector continues to address sustainability challenges, industry-specific frameworks like the Poseidon Principles and the Getting to Zero Coalition are emerging to guide companies in reporting and improving their ESG performance. These frameworks provide additional guidance on ESG indicators and metrics specific to the shipping industry. Please refer to **Appendix A - ESG Standards and Frameworks relevant to the maritime sector**.

2.2.6 CREATE ACTION PLAN, GOALS AND TARGETS

Creating ESG goals, targets and action plan is an important step in integrating sustainability into shipping operations.

Goals and Targets
Some examples to help you identify ESG goals are:

1. Environmental Goals:

a. Reduce greenhouse gas emissions: Set targets to decrease carbon dioxide (CO_2) emissions by a certain percentage over a specific timeframe. Encourage the adoption of cleaner fuels and invest in energy-efficient technologies.

b. Minimize air and water pollution: Implement measures to reduce sulfur oxide (SOx) and nitrogen oxide (NOx) emissions, as well as the release of pollutants into the oceans. Promote the use of advanced exhaust gas cleaning systems (scrubbers) and ballast water treatment technologies.

c. Protect marine ecosystems: Develop strategies to prevent the accidental discharge of hazardous substances, such as oil spills, and promote responsible waste management practices onboard ships.

2. Social Goals:

a. Ensure fair labor practices: Establish targets to improve working conditions for seafarers, including fair wages, reasonable working hours, and access to healthcare. Encourage adherence to international labor standards, such as those set by the International Labor Organization (ILO).

b. Enhance safety and security: Implement measures to enhance the safety of crew members and passengers, including regular training programs, proper maintenance of vessels, and adherence to international safety regulations.

c. Promote diversity and inclusion: Encourage diversity within the shipping industry by setting goals to increase the representation of women and underrepresented groups in maritime roles. Support initiatives that promote equal opportunities and eliminate discrimination.

3. Governance Goals:

a. Enhance transparency and accountability: Establish targets to improve reporting on ESG performance, including the publication of annual sustainability reports. Encourage companies to adopt robust governance structures and practices that promote ethical behavior and prevent corruption.

b. Foster stakeholder engagement: Develop strategies to engage with various stakeholders, including governments, NGOs, local communities, and customers, to understand their concerns and incorporate their feedback into decision-making processes.

c. Encourage responsible supply chain management: Set targets to ensure that suppliers and business partners adhere to similar ESG principles. Promote responsible sourcing practices and encourage the use of sustainable materials and technologies.

Action Plan

Some steps to help you create an effective action plan are:

1. Evaluate your current ESG performance and identify areas where improvements can be made.
2. Set specific and measurable goals: Establish clear targets for each ESG category, ensuring they are ambitious yet attainable. More importantly, your goals should be specific, measurable, achievable, relevant, and time-bound (SMART). For example, instead of setting a vague goal like "reduce carbon emissions," set a specific target like "reduce carbon emissions by 20% by 2025.
3. Align with international frameworks and standards: Consider aligning your goals and targets with internationally recognized frameworks and standards, such as the GRI, United Nations Sustainable Development Goals (SDGs) or the Task Force on Climate-related Financial Disclosures (TCFD). This can help provide a common language and benchmark for measuring progress.
4. Once you have set your goals and targets, you can create a detailed action plan for each goal, outlining the steps, responsibilities, and timelines required to achieve them. This can include implementing new policies and procedures, investing in technology, improving supply chain transparency, or enhancing diversity and inclusion practices.
5. Invest in Research and Technology: Allocate resources to support innovation and the development of sustainable technologies, such as alternative fuels, energy-efficient propulsion systems, and waste management solutions.

Remember, creating ESG goals and targets is an ongoing process. It's important to regularly review and update your goals, targets, and reporting frameworks to reflect emerging ESG trends, stakeholder expectations, and regulatory changes. Seek opportunities to innovate and go beyond compliance to create positive social and environmental impacts.

2.2.7 MONITOR AND REPORT ESG PROGRESS

Regularly monitor and report on your progress towards your goals and targets. This can help track performance, identify areas for improvement, and demonstrate transparency and accountability to stakeholders.

Some steps to monitor and report on your ESG progress are:

1. Identify the specific metrics and indicators that will help you measure progress towards your ESG goals and targets.
2. Collect relevant data and information to track your performance against the identified KPIs. This can involve collecting data by using data tools and from various sources including internal systems.
3. Involve your stakeholders in the reporting process by seeking their input, feedback, and suggestions.
4. Clearly communicate your ESG progress, highlighting achievements, challenges, and areas for improvement. Use narratives, visuals, and case studies to provide context.
5. Be transparent about your performance, including any setbacks or failures, and outline your plans for addressing them.
6. Reporting frameworks provide standardized format and structure for reporting, which allows for comparability and consistency across companies and industries. Define the Reporting frameworks and standards based on your needs and the expectations of your stakeholders.
7. Define your reporting strategy including the frequency, format (integrated with your financial report or stand-alone).

2.2.8 OBTAINING EXTERNAL ASSURANCE ON THE ESG REPORT

Obtaining external assurance on your ESG report means engaging a qualified third party to perform an independent review and verification of the information and data presented in the ESG report and provide an Assurance Opinion to be included in the ESG Report. The purpose of the assurance provider's work is to assess the accuracy, completeness, and reliability of the reported information and to provide assurance to stakeholders that the report is credible and trustworthy.

Here are some key points about external assurance:

1. Independent verification: External assurance involves an independent assessment of the organization's sustainability or ESG report by an external assurance provider. The assurance provider is typically a specialized auditing or consulting firm with expertise in sustainability reporting and assurance.

2. Scope of assurance: The scope of external assurance can vary depending on the organization's reporting needs and stakeholder expectations. It may cover specific aspects of the report, such as greenhouse gas emissions, water usage, labor practices, or broader aspects of the organization's sustainability performance in accordance with a ESG specific framework (GRI, SASB etc).

3. Assurance standards: External assurance is typically conducted in accordance with recognized assurance standards, such as the International Standard on Assurance Engagements (ISAE) 3000 or the AccountAbility Assurance Standard (AA1000AS). These standards provide guidelines and principles for conducting assurance engagements and ensure consistency and quality in the assurance process.

4. Assurance process: The external assurance process involves several steps, including planning, risk assessment, data and evidence collection, testing, analysis, and reporting. The assurance provider assesses the accuracy, completeness, and reliability of the reported information, and may conduct sample testing, interviews, site visits, and data analysis to verify the organization's claims.

5. Assurance statement: At the end of the assurance process, the assurance provider issues an assurance statement or report. This report communicates the findings of the assurance engagement, including any limitations or qualifications, and provides an opinion or conclusion on the reliability and credibility of the reported information.

External assurance can also help organizations identify areas for improvement in their sustainability reporting processes and systems. The assurance provider may provide recommendations for enhancing data collection, reporting methodologies, internal controls, or stakeholder engagement practices.

It's important to note that external assurance is voluntary and organizations can choose whether or not to seek external assurance for their sustainability or ESG reports. However, obtaining external assurance can enhance the credibility and trustworthiness of the report and demonstrate the organization's commitment to transparency and accountability.

3. BUILDING AN ESG REPORT

3.1 DEFINE REPORTING FRAMEWORK

Before building the ESG report, companies must choose the reporting framework as a guidance on what to report, how to report, and what metrics to use. It is important to note that that there is no one-size -fits -all framework and companies may want to use multiple frameworks based on stakeholder needs.

All standards help companies measure, manage and disclose their ESG impact and practices in a consistent and transparent way. For a summary of ESG Standards and frameworks, please click link to Appendix A below:

APPENDIX A

3.2 GENERAL DISCLOSURES

Companies can start the report by providing information about their reporting practices, organization activities and employees, governance, strategy, policies, and practices and stakeholder engagement.

These disclosures are of a general nature, i.e., that apply to all undertakings regardless of sector of activity (i.e., sector agnostic) and apply across sustainability topics (i.e., cross-cutting). The objective is to avoid having the need to address these requirements multiple times under topical or sector-specific standards and therefore to foster a comprehensive understanding of sustainability-related cross-cutting information.

3.3 SECTOR & TOPIC DISCLOSURES

Companies can disclose information about material topics most relevant to the shipping sector. Currently, frameworks with disclosures for the shipping sector are the Poseidon Principles and the SASB (Appendix A).

3.4 DATA COLLECTION PROCESS

ESG data collection is a critical component of any organization's ESG management and reporting process, making it highly important. Unreliable reporting can expose companies to financial, regulatory and reputational risks.

ESG data can take many forms and be generated from various sources. It may be frequent or periodic, structured or unstructured, and can be housed in disparate systems, formats, and among different personnel within the organization. This can lead to data quality challenges that companies need to overcome.

Companies may use manually data collection from various data sources using an Excel spreadsheet which can be a time-consuming and labor-intensive process. Alternatively, they may use automated systems and tools with built-in integrations to automate and streamline reporting.

Leveraging technology can enhance the efficiency of the ESG data collection and management process. The software however is only as effective as the data entered into the system. Without complete, accurate and reliable ESG data, the software alone will not be enough to satisfy the ESG reporting goals.

Companies shall develop a sustainable, repeatable process and internal controls to collect and aggregate data in an efficient and effective manner that facilitates reporting and decision-making.

A multi-disciplinary exercise

- Commitment
- Stakeholder engagement
- Management Support
- Financial Capital
- Human Capital
- Efficient Data
- Monitoring
- Transparency
- Training
- Change management

3.5 THE CONTENT OF THE ESG REPORT

The ESG report should provide context to help stakeholders understand the company's ESG performance. Indicatively, an ESG report covers the following contents:

- Introduction and Overview
- Company Profile
- Materiality Issues
- Stakeholder Dialogue
- Environmental Performance
- Social Performance
- Governance Performance
- Economic Performance
- ESG Index
- Targets and goals
- Risk Management
- Reporting Standards
- Assurance

To find a full illustration on how the ESG Report contents can be prepared, please click link to Appendix B below:

Examples
APPENDIX B

4. APPENDIX A

APPENDIX A - ESG FRAMEWORKS AND STANDARDS

A1 INTERNATIONAL STANDARDS

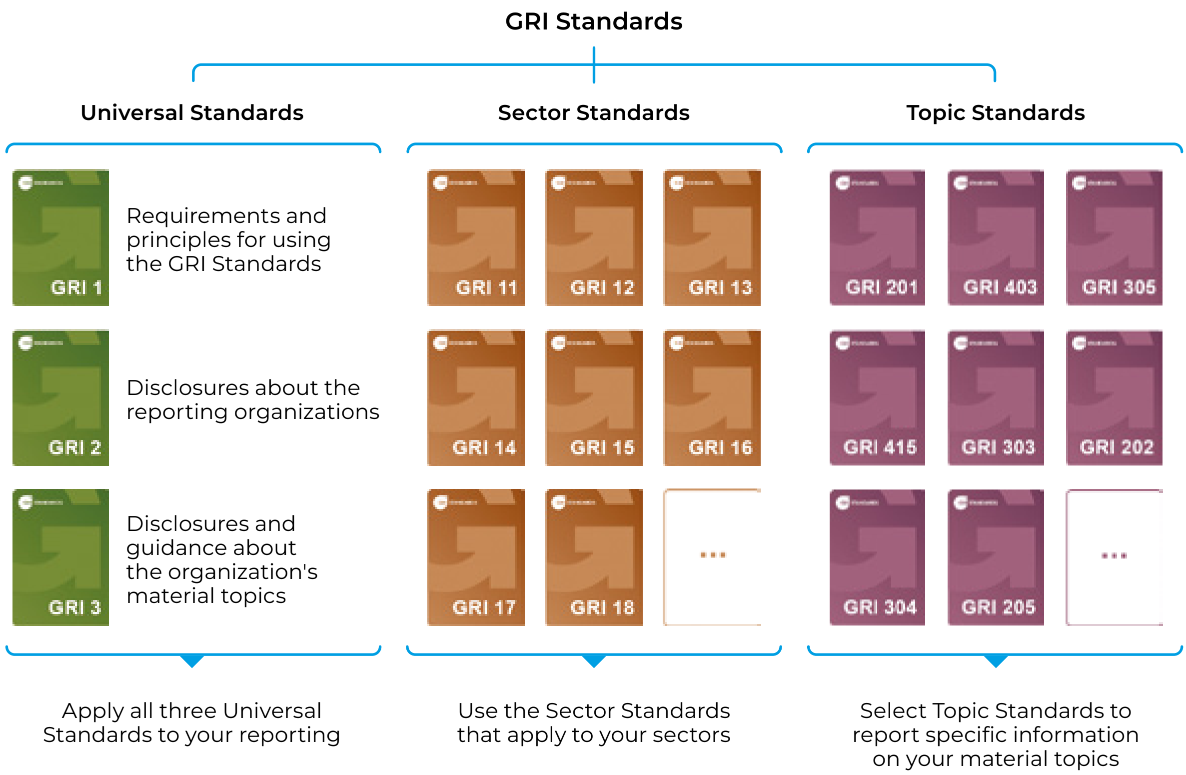
A1.1 GRI STANDARDS

What are the GRI standards about?

The GRI Standards enable any organization – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development. In addition to companies, the Standards are highly relevant to many stakeholders - including investors, policymakers, capital markets, and civil society.

The Standards are designed as an easy-to-use modular set, delivering an inclusive picture of an organization's material topics, their related impacts, and how they are managed.

What are the reporting requirements?



The **Universal Standards** - now revised to incorporate reporting on human rights and environmental due diligence, in line with intergovernmental expectations - apply to all organizations;

The new **Sector Standards** enable more consistent reporting on sector-specific impacts;

The **Topic Standards** - adapted to be used with the revised Universal Standards - list disclosures relevant to a particular topic.

The Reporting Process

The foundation of sustainability reporting is for an organization to identify and prioritize its impacts on the economy, environment, and people - to be transparent about their impacts. GRI 1 is the starting point for all organizations reporting using the GRI Standards in that it lays out key concepts and principles, and lists the requirements for reporting in accordance with the GRI Standards.

A) Identifying and assessing impacts

Identifying its impacts and assessing their significance is part of an organization's day-to-day activity, which varies according to its specific circumstances. The Sector Standards are of help at this point in that they describe the characteristics of a sector that underlie its impacts. The topics and impacts listed in the Sector Standards provide a valuable means of identifying an organization's impacts. An organization needs to consider the impacts described, and decide whether these impacts apply to it. Understanding an organization's context is a crucial factor in identifying and assessing the significance of its impacts. GRI 2 aids in this process by specifying disclosures in detail for different aspects of an organization's activities (reporting practices, governance). GRI 3 explains step-bystep how to identify and assess impacts together with their significance.

B) Determining material topics

Once an organization has assessed the significance of its impacts, it needs to decide on which to report. To do this, it needs to prioritize the impacts. Grouping the impacts into topics (such as 'water and effluents' or 'child labor') facilitates this, as it indicates what topics are most relevant to the organization's activities - its material topics. GRI 3 also contains a step-by-step explanation of how to organize this grouping. To report in accordance with the GRI Standards, an organization needs to document the process by which it determined its material topics, and the disclosures contained in GRI 3 facilitate this. Again, the Sector Standards are part of the process of determining material topics. An organization should test its selection of material topics against the topics in the applicable Sector Standard. This helps the organization ensure that it has not overlooked any topics that are likely to be material for the sector. If an applicable Sector Standard is available, then an organization is obliged to use it when reporting in accordance with the GRI Standards. Using the Sector Standards is not a substitute for determining material topics, but an aid. However, the organization still needs to consider its specific circumstances when selecting its material topics.

C) Reporting disclosures

An organization that has determined its material topics needs to gather relevant data to report specific information on each topic. The topics in a Sector Standard list specific disclosures from the Topic Standards identified for reporting on the topic by an organization in the sector. Where relevant, additional disclosures specific to the sector are included. The disclosures in the Topic Standards specify the information that needs to be collected to report according to the GRI Standards. Together with the disclosures from GRI 2 and GRI 3, they provide a structured way of reporting this information. If an organization cannot comply with the particular reporting requirements, it is in certain instances permitted to omit the information, provided that a valid reason is given for the omission. In addition to the requirements listed under these disclosures, there are also recommendations and guidance that would add to the quality and transparency of a report.

D) Reporting in accordance with the GRI Standards

The GRI Standards allow an organization to report information in a way that covers all its most significant impacts on the economy, environment, and people, or to focus only on specific topics, such as climate change or child labor. GRI recommends reporting in accordance with the GRI Standards. Under this approach, the organization reports on all its material topics and related impacts and how it manages these topics. This reporting approach provides a comprehensive picture of an organization's most significant impacts on the economy, environment, and people. However, if an organization cannot fulfill some of the requirements to report in accordance with the GRI Standards or only wants to report specific information for specific purposes, such as when complying with regulatory requirements; in that case, it can use selected GRI Standards or parts of their content, and report with reference to the GRI Standards.

E) Navigating a report

Reports using the GRI Standards may be published in various formats (e.g., electronic, paper-based) and made accessible across one or more locations (e.g., standalone sustainability report, webpages, annual report). Reports must contain a GRI content index. The content index makes reported information traceable and increases the report's credibility and transparency. The content index provides an overview of the organization's reported information and helps stakeholders navigate the report at a glance. It specifies the GRI Standards that the organization has used. The index also lists the location, such as a page number or URL, for all

The complete list of GRI Standards can be found below:

Universal Standards	Sector Standards	Topic Standards
GRI 1: Foundation	GRI 13: Agriculture Aquaculture and Fishing Sectors	GRI 401: Employment
GRI 2: General Disclosures	GRI 201: Economic Performance	GRI 402: Labor/Management Relations
GRI 3: Material Topics	GRI 202: Market Presence	GRI 403: Occupational Health and Safety
GRI 11: Oil and Gas Sector	GRI 203: Indirect Economic Impacts	GRI 404: Training and Education
GRI 12: Coal Sector	GRI 204: Procurement Practices	GRI 405: Diversity and Equal Opportunity
	GRI 205: Anti-corruption	GRI 406: Non-discrimination
	GRI 206: Anti-competitive Behavior	GRI 407: Freedom of Association and Collective Bargaining
	GRI 207: Tax	GRI 408: Child Labor
	GRI 301: Materials	GRI 409: Forced or Compulsory Labor
	GRI 302: Energy	GRI 410: Security Practices
	GRI 303: Water and Effluents	GRI 411: Rights of Indigenous Peoples
	GRI 304: Biodiversity	GRI 413: Local Communities
	GRI 305: Emissions	GRI 414: Supplier Social Assessment
	GRI 306: Effluents and Waste	GRI 415: Public Policy
	GRI 306: Waste	GRI 416: Customer Health and Safety
	GRI 308: Supplier Environmental Assessment	GRI 417: Marketing and Labeling
		GRI 418: Customer Privacy

disclosures that the organization has used to report on its material topics. The content index can also help a stakeholder understand what the organization has not reported. The organization must specify in the content index if a 'reason for omission' is being used. In addition, the disclosure or the requirement that the organization cannot comply with, together with an explanation, must be listed in the content index. If Sector Standards apply to the organization, Sector Standard reference numbers provide a unique identifier for each disclosure listed in a Sector Standard. This helps information users assess which of the disclosures listed in the applicable Sector Standards are included in the organization's reporting.

How are GRI Standards relevant to shipping?

Many shipping companies have prepared their sustainability reports in accordance with the GRI standards.

A few examples of what is reported under the GRI standards by shipping companies in their reports are the following:

- general disclosures about the organization and reporting practices, activities and workers, governance, strategy, policies, practices and stakeholder engagement (GRI 2);
- material topics (GRI 3);
- economic performance, market presence, indirect economic impacts, procurement practices, anti-corruption etc. (GRI standards 201-207);
- energy, water and effluents, biodiversity, emissions, effluents and waste and supplier environmental assessment (GRI standards 302-308);
- employment, labor / management relations, occupational health and safety, training and education, diversity and equal opportunity, non-discrimination etc. (GRI standards GRI 401-418);

In addition, the Global Sustainability Standards Board (GSSB) has approved a list of prioritized sectors, for which a sector-specific GRI will be published over the time. The shipping sector is included in the Group 3 of this list and is expected to cover all transportation services by water.

Where can I find more info?

For more information, please visit:
https://www.globalreporting.org/ and **https://www.globalreporting.org/media/mqznr5mz/gri-sector-program-list-of-prioritized-sectors.pdf**

Examples on how to build an ESG Report in accordance with GRI can be found in **Appendix B**.

A1.2 SASB STANDARDS

What is the standard about?

The SASB Foundation was founded in 2011 as a not-for-profit, independent standards-setting organization. The SASB Foundation's mission is to establish and maintain industry-specific standards that assist companies in disclosing financially material, decision-useful sustainability information to investors.

The **SASB Standards** are focused on the subset of sustainability-related risks and opportunities most likely to affect a company's financial condition (e.g. its balance sheet), operating performance (e.g. its income statement) or risk profile (e.g. its market valuation and cost of capital).

SASB publishes standards for 77 industries across 11 sectors. set of standards identifies the subset of sustainability issues SASB believes are reasonably likely to impact financial performance of the typical company in an industry. Companies are encouraged to refer to the relevant SASB standards for their industry but ultimately it is up to the reporting company to determine which specific sustainability topics and metrics are financially material for its business. Given SASB's stated focus on financial materiality as defined by the U.S. Supreme Court and the SEC, investors are the primary audience for SASB reporting.

What are the reporting requirements?

SASB standards include:

1. **Disclosure topics** – A minimum set of industry-specific disclosure topics reasonably likely to constitute material information, and a brief description of how management or mismanagement of each topic may affect value creation.

2. **Accounting metrics** – A set of quantitative and/or qualitative accounting metrics intended to measure performance on each topic.

3. **Technical protocols** – Each accounting metric is accompanied by a technical protocol that provides guidance on definitions, scope, implementation, compilation, and presentation, all of which are intended to constitute suitable criteria for third-party assurance.

4. **Activity metrics** – A set of metrics that quantify the scale of a company's business and are intended for use in conjunction with accounting metrics to normalize data and facilitate comparison.

The following table presents the Sustainability Disclosure Topics in accordance with SASB for Maritime:

Greenhouse Gas Emissions	Gross global Scope 1 emissions	Quantitative	Metric tons (t) CO_2-e	TR-MT-110a.1
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	n/a	TR-MT-110a.2
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	TR-MT-110a.3
	Average Energy Efficiency Design Index (EEDI) for new ships	Quantitative	Grams of CO_2 per ton-nautical mile	TR-MT-110a.4
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, and (3) particulate matter (PM10)	Quantitative	Metric tons (t)	TR-MT-120a.1
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Quantitative	Number of travel days	TR-MT-160a.1
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment	Quantitative	Percentage (%)	TR-MT-160a.2
	(1) Number and (2) aggregate volume of spills and releases to the environment	Quantitative	Number, Cubic meters (m^3)	TR-MT-160a.3

Employee Health & Safety	Lost time incident rate (LTIR)	Quantitative	Rate	TR-MT-320a.1
Business Ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Quantitative	Number	TR-MT-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Quantitative	Reporting currency	TR-MT-510a.2
Accident & Safety Management	Number of marine casualties, percentage classified as very serious	Quantitative	Number, Percentage (%)	TR-MT-540a.1
	Number of Conditions of Class or Recommendations	Quantitative	Number	TR-MT-540a.2
	Number of port state control (1) efficiencies and (2) detentions	Quantitative	Number	TR-MT-540a.3

The following table presents the Activity Metrics in accordance with SASB for Maritime:

Number of shipboard employees	Quantitative	Number	TR-MT-000.A
Total distance traveled by vessels	Quantitative	Nautical miles (nm)	TR-MT-000.B
Operating days	Quantitative	Days	TR-MT-000.C
Deadweight tonnage	Quantitative	Thousand deadweight tons	TR-MT-000.D
Number of vessels in total shipping fleet	Quantitative	Number	TR-MT-000.E
Number of vessel port calls	Quantitative	Number	TR-MT-000.F
Twenty-foot equivalent unit (TEU) capacity	Quantitative	TEU	TR-MT-000.G

How are the SASB standards relevant to shipping?

The SASB Foundation has issued a **Marine Transportation Standard** to be applied along with the **SASB Standards Application Guidance** and the **SASB Conceptual Framework.**

The Marine Transportation industry consists of companies that provide deep-sea, coastal, and/or river-way freight shipping services. It is of strategic importance to international trade and its revenues are tied to macroeconomic cycles. Key activities include transportation of containerized and bulk freight, including consumer goods and a wide range of commodities, and transportation of chemicals and petroleum products in tankers. Due to the global scope of the industry, companies operate in many countries and under diverse legal and regulatory frameworks.

Where can I find more info?

For more info please visit **https://sasb.org/**

The definitions and accounting metrics can be found at: **https://sasb.org/standards/download/**

Examples on how to build an ESG Report in accordance with SASB for Marine Transportation can be found in **Appendix B**.

A2 INTERNATIONAL FRAMEWORKS

A2.1 UNITED NATIONS GLOBAL COMPACT

What is this framework about?

The United Nations Global Compact is a non-binding United Nations pact to get businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

Its goal is to accelerate and scale the global collective impact of business, by establishing Ten Principles on human rights, labour, environment and anti-corruption and by providing Sustainable Development Goals (SDGs), laying out where the world collectively needs to go and how to get there.

What are the reporting requirements?

The Ten Principles of the UN Global Compact which are required to be reported are the following:

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Additionally, there are 17 Sustainable Development Goals (SDGs) included in the “Agenda 2030”, which were adopted by all 193 Member States of the United Nations in September 2015.

Goal 1: End poverty in all its forms everywhere

Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Goal 3: Ensure healthy lives and promote well-being for all at all ages

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goal 5: Achieve gender equality and empower all women and girls

Goal 6: Ensure availability and sustainable management of water and sanitation for all

Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Goal 10: Reduce inequality within and among countries

Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Goal 12: Ensure sustainable consumption and production patterns

Goal 13: Take urgent action to combat climate change and its impacts

Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

How is this framework relevant to shipping?

The International Maritime Organization ("IMO"), as a specialized agency of the United Nations, is committed to the 2030 Agenda for Sustainable Development, including the SDGs. Shipping is an essential component of sustainable economic growth, as it is the most environmentally sound mode of transport, having the lowest carbon footprint per unit of cargo transported.

Through IMO, the maritime industry is working to strengthen ongoing efforts towards sustainable development and address each one of the SDGs.

The ESG reports of shipping companies state how they comply with the 10 Principles and how they address each one of the SDGs. For example, since international shipping takes place on the world's oceans, Goal 14 "Life below water" requires the shipping companies to report on how they conserve and sustainably use the oceans, seas and marine resources for sustainable development

Where can I find more info?

For more information, please visit **https://unglobalcompact.org/** and **IMO and Sustainable Development**

A2.2 SCIENCE BASED TARGETS INITIATIVE ("SBTI")

What is this framework about?

The Science Based Targets Initiative ("SBTi") has been introduced by the partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

Science-based targets are greenhouse gas (GHG) emission reduction targets that are consistent with what is necessary, according to current climate science, for society to meet the goals of the United Nations Framework Convention on Climate Change 2016 Paris Agreement. That is, targets that are consistent with limiting the increase in combined surface air and sea surface temperatures averaged over the globe and over a 30-year period to well below 2°C above pre-industrial levels, and to pursue efforts to limit this temperature increase to 1.5°C above preindustrial levels.

What are the reporting requirements?

Setting a science-based target is a five-step process:

Commit: submit a letter establishing your intent to set a science-based target

Develop: work on an emissions reduction target in line with the SBTi's criteria

Submit: present your target to the SBTi for official validation

Communicate: announce your target and inform your stakeholders

Disclose: report company-wide emissions and track target progress annually

How is this framework relevant to shipping?

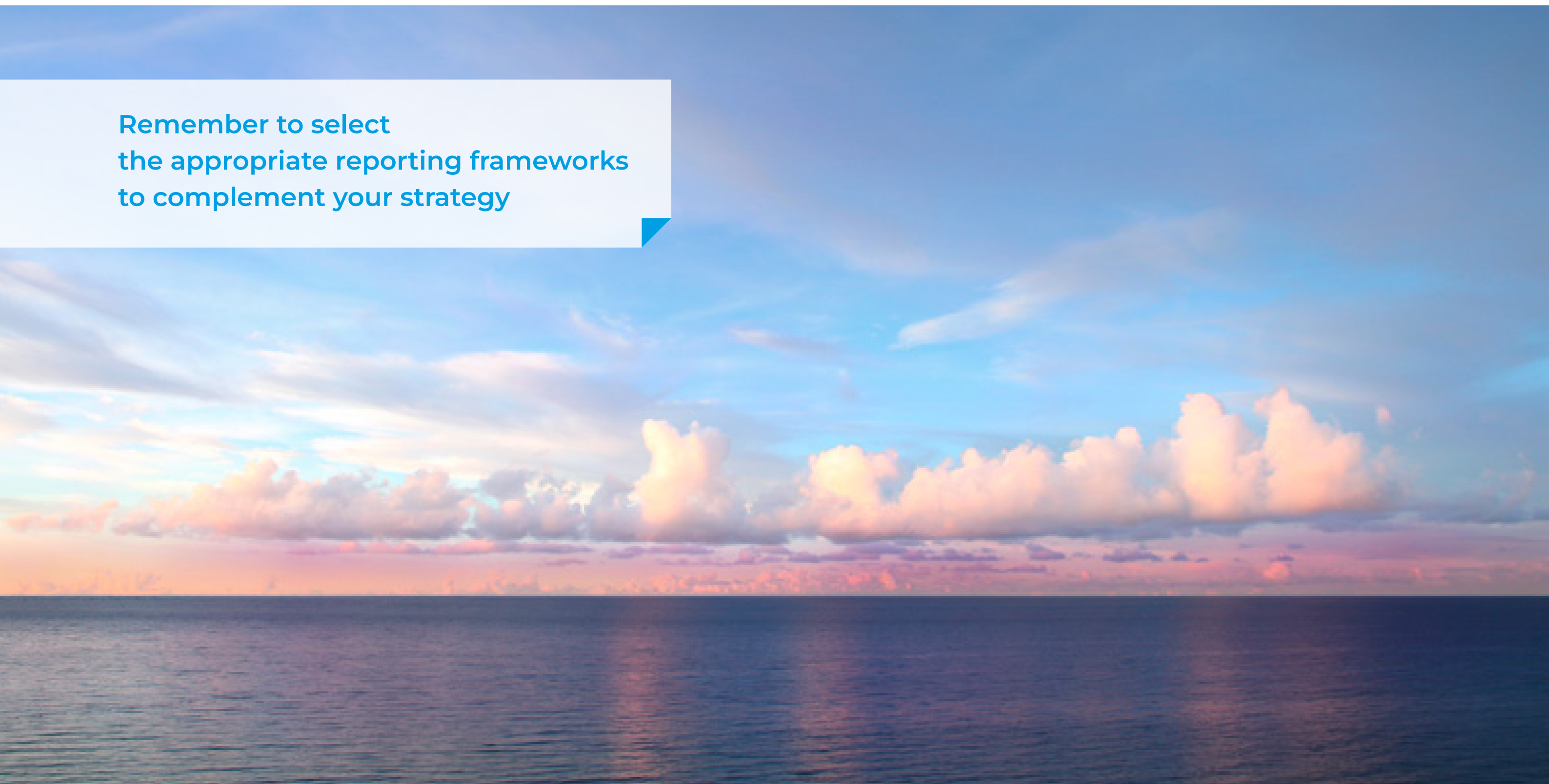
Specifically for the maritime industry, the SBTi convened a Technical Working Group and opened a month-long public consultation period for experts in the maritime sector to provide feedback, in order to set targets specifically for this industry and ensure the criteria and guidance are robust, clear, and practical.

As a result, SBTi launched the SBTi Maritime Guidance and Tool in December 2022. This is the first science-based framework to support companies in the maritime transport sector to set near- and long-term science-based targets in line with 1.5°C.

Where can I find more info?

For more information, please visit **https://sciencebasedtargets.org/resources/files/SBTi-Maritime-Guidance.pdf**

Remember to select the appropriate reporting frameworks to complement your strategy



A2.3 TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ("TCFD")

What is this framework about?

The Financial Stability Board (FSB) created the Task force on Climate-related Financial Disclosures ("TCFD") to develop recommendations on the types of information that companies should disclose to support investors, lenders, and insurance underwriters in appropriately assessing and pricing a specific set of risks—risks related to climate change.

The Task Force consists of 31 members from across the G20, representing both preparers and users of financial disclosures.

Given its remit from the Financial Stability Board, the TCFD is committed to market transparency. Through widespread adoption, financial risks and opportunities related to climate change will become a natural part of companies' risk management and strategic planning processes. As this occurs, companies' and investors' understanding of the potential financial implications associated with transitioning to a lower-carbon economy and climate-related physical risks will grow; information will become more decision-useful; and risks and opportunities will be more accurately priced, allowing for the more efficient allocation of capital.

What are the reporting requirements?

The TCFD disclosure recommendations are structured around four thematic areas that represent core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are interrelated and supported by 11 recommended disclosures that build out the framework with information that should help investors and others understand how reporting organizations think about and assess climate-related risks and opportunities.

Governance:
Disclose the company's governance around climate-related risks and opportunities.

Strategy:
Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material.

Risk Management:
Disclose how the company identifies, assesses, and manages climate-related risks.

Metrics and Targets:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Since the publication of the TCFD recommendations, the FSB has asked the Task Force to continue its work—promoting adoption of the TCFD framework, providing further guidance, supporting educational efforts, monitoring climate-related financial disclosure practices in terms of their alignment with the TCFD recommendations, and preparing annual status reports.

How is this framework relevant to shipping?

So far, the TCFD framework has been one of the key frameworks for many maritime companies to report on their greenhouse gas emissions and climate-related risks and opportunities.

Where can I find more info?

For more information, please visit: **https://www.fsb-tcfd.org/**

A2.4 POSEIDON PRINCIPLES

What is this framework about?

The Poseidon Principles provide a framework for integrating climate considerations into lending decisions to promote international shipping's decarbonization.

The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios. They establish a common, global baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with adopted climate goals. Thus, they also serve as an important tool to support responsible decision-making.

The principles apply to lenders, relevant lessors, and financial guarantors including export credit agencies. They must be applied by all Signatories in all business activities that are:

- credit products – including bilateral loans, syndicated loans, club deals, and guarantees – secured by vessel mortgages, finance leases secured by title over vessel, or unmortgaged ECA loans tied to a vessel.
- where a vessel or vessels fall under the purview of the IMO.

What are the reporting requirements?

There are four Poseidon Principles, name Assessment of climate alignment, Accountability, Enforcement, Transparency.

Assessment of climate alignment:
"We will annually assess climate alignment in line with the Technical Guidance for all Business Activities."

Accountability:
"We recognize the important role that classification societies and other IMO- Recognized Organizations ("RO") play in providing unbiased information to the industry and the mandatory regulation established by the IMO for the data collection and reporting of fuel oil consumption from ships, (the "IMO DCS"). We will rely on such entities and mandatory regulations as explicitly identified in the Technical Guidance for the provision of information used to assess and report on climate alignment."

Enforcement:
"We will require that ongoing compliance with the Poseidon Principles is made contractual in our new Business Activities using standardized covenant clauses. We will contribute to the update and addition of standardized clauses through the annual review process."

Transparency:
"We will publicly acknowledge that we are a Signatory of the Poseidon Principles and we will publish the results of the portfolio climate alignment score of our Business Activities on an annual basis in line with the Technical Guidance."

How is this framework relevant to shipping?

The Poseidon Principles are consistent with the policies and ambitions of the International Maritime Organization, including its ambition for GHG emissions to peak as soon as possible and to reduce the total annual GHG emissions by at least 50% by 2050 compared to 2008.

Currently, 30 financial institutions are Signatories to the Poseidon Principles, representing a bank loan portfolio to global shipping of over 70% of the global ship finance portfolio.

Signatories commit to implementing the Poseidon Principles in their internal policies, procedures, and standards and to work in partnership with their clients and partners on an ongoing basis to implement the Poseidon Principles.

Poseidon Principles directly affect bank finance in the maritime sector. ESG factors become increasingly more important and drive the funding decisions of the lenders. The principles are intended to evolve over time to include other issues where the collective influence of financial institutions can help improve the contribution the industry and its leaders can make to society.

Where can I find more info?

For more information, please visit: **Home - Poseidon Principles for Financial Institutions**

A3 FINANCING GUIDELINES AND RATINGS

A3.1. NASDAQ

What are the NASDAQ Guidelines about?

NASDAQ launched its first voluntary ESG data reporting guide in March 2017. It was designed to promote meaningful engagement between listed companies and investors, a dialogue based on the emergence of ESG data as a significant performance signal. The most receny version of the ESG Reporting Guide aims to incorporate new developments in the marketplace (such as TCFD, SDGs, GRI Standards, EU NFR Directive, and others), simplify and standardize guidance, labels, and calculations, improve ESG engagement for small- and medium-sized business enterprises and cover all Nasdaq markets – including the U.S. equities market– in a single document.

What are the reporting requirements?

The Guide explains the main concepts of ESG:

- What is ESG?
- What does it mean to report on ESG?
- Why does a company need to consider their stakeholders and how can they become engaged in the ESG journey?
- What is materiality?
- What is management's role?
- What are the markets and exchanges looking for in the area of ESG from participants?
- What are the frameworks and standards that have been developed?
- Most importantly, the Guide introduces 30 metrics divided in the three categories as follows:

Environment (E)	Social (S)	Corporate Governance (G)
E1. GHG Emissions	S1. CEO Pay Ratio	G1. Board Diversity
E2. Emissions Intensity	S2. Gender Pay Ratio	G2. Board Independence
E3. Energy Usage	S3. Employee Turnover	G3. Incentivized Pay
E4. Energy Intensity	S4. Gender Diversity	G4. Collective Bargaining
E5. Energy Mix	S5. Temporary Worker Ratio	G5. Supplier Code of Conduct
E6. Water Usage	S6. Non-Discrimination	G6. Ethics & Anti-Corruption
E7. Environmental Operations	S7. Injury Rate	G7. Data Privacy
E8. Climate Oversight / Board	S8. Global Health & Safety	G8. ESG Reporting
E9. Climate Oversight / Management	S9. Child & Forced Labor	G9. Disclosure Practices
E10. Climate Risk Mitigation	S10. Human Rights	G10. External Assurance

How are these guidelines relevant to shipping?

The above NASDAQ ESG reporting guidelines are applicable not only to the shipping companies which are listed in the NASDAQ stock exchange when drafting their ESG reports, but they can also be a valuable guidance for all companies in the maritime sector

Where can I find more info?

For more information, please visit: **https://www.nasdaq.com/docs/2019/11/26/2019-ESG-Reporting-Guide.pdf**

A3.2. NYSE

What are the NYSE best practices about?

NYSE has issued Best Practices for Sustainability Reporting. NYSE highlights that, just as financial reporting is not the end goal for the company, but a way of communicating the financial results of its various activities, sustainability reporting or ESG disclosure should be understood as a way of communicating how the company is managing ESG issues. The disclosure is an output and is aimed at meeting stakeholder demands for transparency and accountability.

What are the reporting requirements?

The Best Practices comprise of an 8-step approach:

1. Identifying the right approach for a company
Before a company can begin to think about reporting on its ESG performance, it needs to determine which ESG issues are relevant to it and how these issues fit into its overall business strategy. Some companies conduct a formal assessment of these issues, either by external discussions with shareholders and other stakeholders, or internally by looking at ESG issues already on the board's agenda or included in the company's business plan or risk management program. There is a range of ESG issues that can contribute to company value creation or destruction. Some examples are set out below:

Environmental	Social	Governance
· Waste · Energy · Emissions · Biodiversity · Water	· Employee relations and development · Diversity and inclusion · Occupational health and safety · Community relations · Human rights · Forced labor · Privacy · Data security	· Board oversight · Board diversity · Risk management · Shareholder rights · Anti-corruption · Political lobbying · Executive pay · Tax strategy

2. Identifying stakeholders and evaluating the state of engagement
A company's ability to generate shareholder returns over the long run is at least in part dependent on its relationships with key stakeholder groups -- e.g. customers, employees, suppliers and the communities in which the company operates.

3. Assessing materiality
The materiality assessment is a process that is aimed at assisting a company in prioritizing among possible ESG issue areas and enabling management to focus on those that are most important, as well as an external signal to stakeholders on how the business applies its focus.

4. Establishing governance
Governance can be understood as "the system by which companies are directed and controlled."14 It includes the oversight structures and processes that set company objectives, measure progress and evaluate results.

5. Integrating ESG into business strategy
Below the board level, responsibility for design, implementation and monitoring of the company's ESG strategy should be clearly allocated by senior management. Depending on the nature of the strategy and the identified ESG focus areas, responsibility may be spread across various divisions in the company.

6. Telling the Company's story
Telling the Company's story is about providing descriptions on the core issues that the company is focused on, how and why the company has chosen those specific issues, the measurements and KPIs that the Company is using to view progress on these key issues (contextualized where possible) as well as any targets along with processes in place to track and measure progress against those targets.

7. Reporting frameworks and standards
High-quality reporting relies on the disclosure of accurate, balanced and comparable information that provides genuine insights. Many companies choose to

align their sustainability reporting with one or more ESG frameworks. The best way for companies to navigate this landscape is to figure out wha8. t would yield the most meaningful and useful disclosure for the company and its key stakeholders. Some stakeholder groups have publicly endorsed specific reporting standards.

8. ESG research and ratings

In addition to reporting frameworks and standards, there are also third-party research firms that collect ESG information on companies for the purposes of scoring ESG performance. This information is used by investors to inform their investment decision making (though many investors also conduct their own analysis). Some research firms collect information directly from companies, using surveys or questionnaires. Others rely on publicly-available information (though may still ask the company to verify the collected information) while still others use some combination of public information and questionnaires. Different firms use different methodologies (though there is some overlap among them), which makes it challenging from a resource and cost perspective to address all of these.

How are these best practices relevant to shipping?

NYSE guidelines are applicable to all shipping companies which are listed at the NYSE Stock Exchange, but they can also be useful for all shipping companies in order to ensure that they are following the best practices of the market.

Where can I find more info?

For more information, please visit: **https://www.nyse.com/esg-guidance**

A4 REGULATIONS

A4.1 IFRS S1 & IFRS S2 STANDARDS

What are these standards about?

On 26 June 2023, the International Sustainability Standards Board (ISSB) issued the first two Sustainability Disclosure Standards introducing new reporting requirements and effectively starting a new era in stakeholder reporting, globally:

• IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information

• IFRS S2 - Climate-related Disclosures

Both Standards are effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is possible. An entity may apply IFRS Sustainability Disclosure Standards irrespective of whether the entity's related general purpose financial statements are prepared in accordance with IFRS Accounting Standards or other generally accepted accounting principles or practices (GAAP).

What are the reporting requirements?

IFRS S1 General Sustainability-related Disclosures

IFRS S1 is a foundational standard that establishes a framework for sustainability reporting. It requires entities to disclose information about sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects over the short, medium and long term. It requires entities to discuss governance, strategy, risk management and metrics and targets relating to all sustainability matters. FRS S1 covers concepts such as materiality, frequency of reporting, comparative information, how to deal with prior period errors and other similar matters. This provides the fundamental framework to ensure that sustainability reports are of a high quality and consistently prepared by different organisations.

The main concepts of IFRS are:

USEFULNESS of sustainability-related financial information requires

Fundamental Qualitative Characteristics

Relevance

An entity-specific aspect of relevance is **materiality** and is based on the nature or magnitude, or both, of the items to which the information relates, in the context of the entity's sustainability-related financial disclosures.

In the context of sustainability-related financial disclosures, **information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports**, which include financial statements and sustainability- related financial disclosures and which provide information about **a specific reporting entity** (An entity's sustainability-related financial disclosures shall be for the same reporting entity as the related financial statements and **connections** between disclosure should be provided).

Faithful Representation

To achieve faithful representation, an entity shall provide a **complete**, **neutral** and **accurate depiction** of those sustainability-related risks and opportunities, that could reasonably be expected to affect the entity's prospects, in accordance with the principles set out in the Standards.

The usefulness of sustainability-related financial information is enhanced if the information is **comparable**, **verifiable**, **timely** and **understandable** (Enhancing Qualitative Characteristics).

CORE CONTENT of sustainability-related financial information

Governance	To enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee sustainability-related risks and opportunities. Such information relates to (1) the governance body(s) or individual(s) responsible for oversight of sustainability-related risks and opportunities and (2) management's role in those governance processes, controls and procedures.
Strategy	To enable users of general purpose financial reports to understand an entity's strategy for managing sustainability-related risks and opportunities. More specifically, disclosures should include information about: • Short-, medium- and long-term sustainability-related risks and opportunities on the entity's business model and value chain, • Strategic decision-making and trade-offs, • Qualitative and quantitative information about the impact of sustainability-related risks and opportunities in the entity's financial position, financial performance and cash flows, • The level of resilience of the company to specific sustainability-related risks (scenario analysis).
Risk Management	To enable users of general purpose financial reports (a) to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and (b) to assess the entity's overall risk profile and its overall risk management process.
Metrics & Targets	To enable users of general purpose financial reports to understand an entity's performance in relation to its sustainability-related risks and opportunities, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.

IFRS S2 Climate-related Disclosures

IFRS S2 takes the principles of IFRS S1 and applies them to climate-related risks and opportunities. It steps out what should be reported and considered in relation to governance, strategy, risk management and metrics and targets as they relate to climate. This will include reporting of scenario analysis of the financial impact on the entity of different temperature warmings and reporting of scope 1, 2 and 3 Green House Gas (GHG) emissions amongst other matters.

The new standards based on the recommendations in the Taskforce on Climate-related Financial Disclosures (TCFD) will form a comprehensive baseline for sustainability reporting around the globe. Whilst jurisdictions will still need to determine whether they will be adopting these standards, it is a significant step forward in corporate reporting.

The ISSB has provided a number of resources to assist organisations with understanding and starting to implement these new standards and is committed to provide resources to assist organisations with their implementation, including:

For each of the new standards:

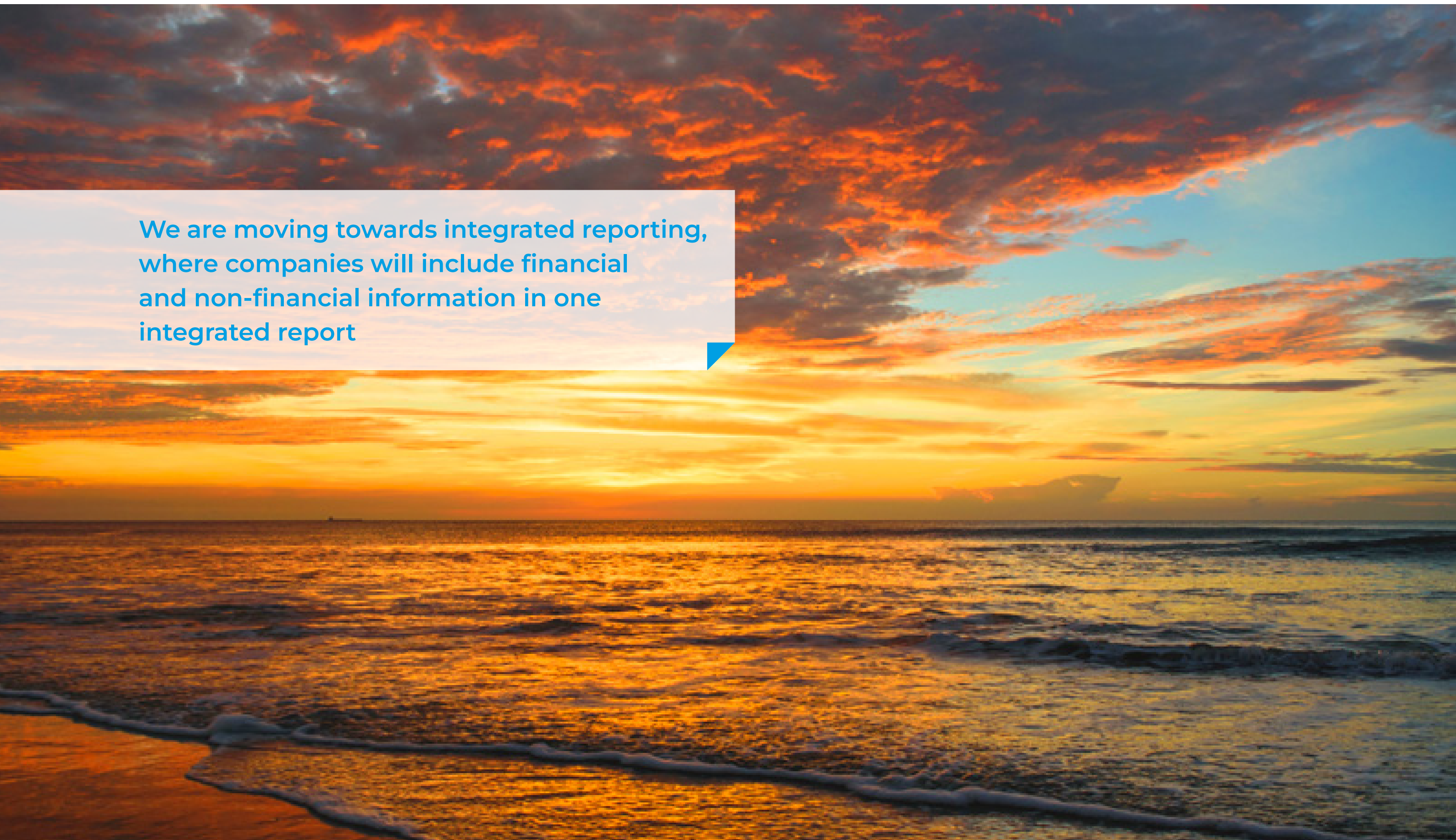
- Short summary webcasts
- In-depth explainer webcasts

How are these standards relevant to shipping?

IFRS S1 and IFRS S2 are designed to set a global baseline to enable shipping companies to provide information about sustainability-related risks and opportunities that is useful for investors' decision-making. Many shipping companies are already familiar with the IFRS for the preparation of their financial statements and by extension they will be able to understand and apply the requirements of the new IFRS S1 and S2 standards for their ESG reports as well.

Where can I find more info?

For more information, please visit: **https://www.ifrs.org/news-and-events/news/2023/06/issb-issues-ifrs-s1-ifrs-s2/**



A4.2 CORPORATE SUSTAINABILITY REPORTING DIRECTIVE ("CSRD")

What is this directive about?

On 5 January 2023, the Corporate Sustainability Reporting Directive (CSRD) of the European Union entered into force. This new directive strengthens the rules concerning the social and environmental information that companies have to report.

A broader set of companies will now be required to report on sustainability. More specifically, CSRD (par. 17) is requiring all public interest entities and all companies, whose securities are admitted to trading on a regulated market in the Union, except micro-enterprises, to report on their sustainability.

Additionally, CSRD (par. 18) introduces the same requirement to all large EU undertakings, listed or not. Large undertakings are those that on their balance sheet dates exceed at least two of the three following criteria: balance sheet (€20 million), net turnover (€40 million), employees (250).

CSRD (par. 19) also requires that third-country undertakings whose securities are admitted to trading on a regulated market in the Union should also disclose information on sustainability matters. Additionally, (as per par. 20) third-country undertakings which generate a net turnover of more than EUR 150 million in the Union and which have a subsidiary undertaking or a branch on the territory of the Union should be subject to Union sustainability reporting requirements.

To ensure the proportionality and enforceability of such requirements, the threshold of having a net turnover of more than EUR 40 million should apply to the branches of third-country undertakings, and the thresholds related to being considered a large undertaking or a small or medium-sized undertaking, except micro undertakings, whose securities are admitted to trading on a regulated market in the Union should apply to the subsidiary undertakings of third-country undertakings, as such subsidiary undertakings and branches should be responsible for publishing the sustainability report of the third-country undertaking.

The new rules will ensure that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues. Reporting costs are expected to be reduced for companies over the medium to long term by harmonizing the information to be provided.

The first companies will have to apply the new rules for the first time in the 2024 financial year, for reports published in 2025.

What are the reporting requirements?

Companies subject to the CSRD will have to report according to European Sustainability Reporting Standards (ESRS). The standards were developed by the EFRAG, previously known as the European Financial Reporting Advisory Group, and they will be tailored to EU policies, while building on and contributing to international standardization initiatives.

How is CSRD relevant to shipping?

CSRD will apply to shipping companies that are public interest entities or listed at a stock exchange in the European Union or meet any of the criteria of paragraphs 17-20 of CSRD, as described above.

Where can I find more info?

For more information, please visit: **https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464**

5. APPENDIX B

APPENDIX B - CONTENT OF THE ESG REPORT USING EXAMPLES FROM GRI, SASB AND TCFD

B.1 INTRODUCTION AND OVERVIEW

Message from the CEO: The message form the CEO should be authentic, inspiring and aligned with company's values and sustainability strategy. It is important as it sets the tone for the rest of the ESG report.

ESG highlights: These are the key achievements or notable developments in company's environmental, social and governance performance. These highlights showcase the company's ESG progress and can also be used for other communications.

About the report: This includes the type of standards and frameworks company used and the organizational boundaries of the report to help stakeholders to understand which entities are covered by the report and which are not.

B.2 COMPANY PROFILE

The Company Profile presents the main information on the Company that is relevant to ESG. If the Company applies the Global Reporting Initiative (GRI), please find below the indicative disclosures along with a link to the complete guidance. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 2 General Disclosures 2021 1. The organization and its reporting practices Learn More	2-1 Organizational details
	2-2 Entities included in the organization's sustainability reporting
	2-3 Reporting period, frequency and contact point
	2-4 Restatements of information

If the Company applies SASB, please find below the indicative disclosures along with a link to the complete guidance:

SASB Topic	Disclosure
Activity metrics Learn More	Number of shipboard employees
	Total distance traveled by vessels
	Operating days
	Deadweight tonnage
	Number of vessels in total shipping fleet
	Number of vessel port calls
	Twenty-foot equivalent unit (TEU) capacity

B.3 MATERIALITY ISSUES

If the Company applies the Global Reporting Initiative (GRI), please find below the indicative disclosures on materiality along with a link to the complete guidance. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 3 Material Topics 2021 Learn More	3-1 Process to determine material topics
	3-2 List of material topics
	3-3 Management of material topics

B.4 STAKEHOLDER DIALOGUE

If the Company applies the Global Reporting Initiative (GRI), please find below the indicative disclosures on stakeholder engagement along with a link to the complete guidance. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 2 General Disclosures 2021 5. Stakeholder engagement Learn More	2-29 Approach to stakeholder engagement
	2-30 Collective bargaining agreements

B.5 ENVIRONMENTAL PERFORMANCE

Environmental performance focuses on company's efforts to reduce its environmental impact, mitigate climate change risk, conserve resources and protect biodiversity.

If you are reporting under GRI, see examples below. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 301 Materials 2016 Learn More	301-1 Materials used by weight or volume
	301-2 Recycled input materials used
	301-3 Reclaimed products and their packaging materials
GRI 304 Biodiversity 2016 Learn More	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas
	304-2 Significant impacts of activities, products and services on biodiversity
	304-3 Habitats protected or restored
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations
GRI 302 Energy 2016 Learn More	302-1 Energy consumption within the organization
	302-2 Energy consumption outside of the organization
	302-3 Energy intensity
	302-4 Reduction of energy consumption
	302-5 Reductions in energy requirements of products and services
GRI 303 Water and Effluents 2018 Learn More	303-1 Interactions with water as a shared source
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption

GRI Topic	Disclosure
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other indirect (Scope 3) GHG emissions
	305-4 GHG emissions intensity
	305-5 Reduction of GHG emissions
	305-6 Emissions of ozone-depleting substances (ODS)
Learn More	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
Learn More	306-5 Waste directed to disposal
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria
Learn More	308-2 Negative environmental impacts in the supply chain and actions

If the Company applies SASB, please find below the relevant disclosures along with a link to the complete guidance:

SASB Topic	Disclosure
Greenhouse Gas Emissions	Gross global Scope 1 emissions
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emitssions reduction targets, and an analysis of performance against those targets
	(1) Total energy consumed, (2) percentage heavy fuel oil, (3) percentage renewable
Learn More	Average Energy Efficiency Design Index (EEDI) for new ships
Air Quality Learn More	Air emissions of the following pollutants: (1) NOx (excluding N_2O), (2) SOx, and (3) particulate matter (PM10)
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status
	Percentage of fleet implementing ballast water (1) exchange and (2) treatment
Learn More	(1) Number and (2) aggregate volume of spills and releases to the environment

B.6 SOCIAL PERFORMANCE

Social performance focuses on a company manages its relationship with employees, customers, communities and other stakeholders. It includes the company's efforts to promote well-being, diversity and inclusion, human rights, labor practices and community engagement.

If you are reporting under GRI, see examples below. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 2 General Disclosures 2021 2. Activities and workers Learn More	2-6 Activities, value chain and other business relationships
	2-7 Employees
	2-8 Workers who are not employees
GRI 202 Market Presence 2016 Learn More	202-1 Ratios of standard entry level wage by gender compared to local minimum wage
	202-2 Proportion of senior management hired from the local community
GRI 401 Employment 2016 Learn More	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 402 Labor/Management Relations 2016 Learn More	402-1 Minimum notice periods regarding operational changes
GRI 403 Occupational Health and Safety 2018 Learn More	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
GRI 404 Training and Education 2016 Learn More	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
	404-3 Percentage of employees receiving regular performance and career development reviews
GRI 405 Diversity and Equal Opportunity 2016 Learn More	405-1 Diversity of governance bodies and employees
	405-2 Ratio of basic salary and remuneration of women to men
GRI 406 Non-Discrimination 2016 Learn More	406-1 Incidents of discrimination and corrective actions taken
GRI 407 Freedom of Association and Collective Bargaining 2016 Learn More	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk
GRI 408 Child Labor 2016 Learn More	408-1 Operations and suppliers at significant risk for incidents of child labor
GRI 409 Forced or Compulsory Labor 2016 Learn More	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

GRI Topic	Disclosure
GRI 410 Security Practices 2016 Learn More	410-1 Security personnel trained in human rights policies or procedures
GRI 411 Rights of Indigenous People 2016 Learn More	411-1 Incidents of violations involving rights of indigenous peoples
GRI 413 Local Communities 2016 Learn More	413-1 Operations with local community engagement, impact assessments, and development programs
	413-2 Operations with significant actual and potential negative impacts on local communities
GRI 414 Supplier Social Assessment 2016 Learn More	414-1 New suppliers that were screened using social criteria
	414-2 Negative social impacts in the supply chain and actions taken
GRI 416: Customer Health and Safety 2016 Learn More	416-1 Assessment of the health and safety impacts of product and service categories
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

If the Company applies SASB, please find below the relevant disclosures along with a link to the complete guidance:

SASB Topic	Disclosure
Employee Health & Safety Learn More	Lost time incident rate (LTIR)
Accident & Safety Management Learn More	Number of marine casualties, percentage classified as very serious
	Number of Conditions of Class or Recommendations
	Number of port state control (1) deficiencies and (2) detentions

B.7 GOVERNANCE PERFORMANCE

Governance performance focuses on how a company is managed, directed, and controlled. It includes the systems, process and structures that guide decision-making, ensure accountability and promote ethical behavior within the company.

If you are reporting under GRI, see examples below. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 2 General Disclosures 2021 3. Governance Learn More	2-9 Governance structure and composition
	2-10 Nomination and selection of the highest governance body
	2-11 Chair of the highest governance body
	2-12 Role of the highest governance body in overseeing the management of impacts
	2-13 Delegation of responsibility for managing impacts
	2-14 Role of the highest governance body in sustainability reporting
	2-15 Conflicts of interest
	2-16 Communication of critical concerns
	2-17 Collective knowledge of the highest governance body
	2-18 Evaluation of the performance of the highest governance body
	2-19 Remuneration policies
	2-20 Process to determine remuneration
	2-21 Annual total compensation ratio
GRI 2 General Disclosures 2021 4. Strategy, policies and practices Learn More	2-22 Statement on sustainable development strategy
	2-23 Policy commitments
	2-24 Embedding policy commitments
	2-25 Processes to remediate negative impacts
	2-26 Mechanisms for seeking advice and raising concerns
	2-27 Compliance with laws and regulations
	2-28 Membership associations
GRI 204 Procurement Practices 2016 Learn More	204-1 Proportion of spending on local suppliers
GRI 205 Anti-Corruption 2016 Learn More	205-1 Operations assessed for risks related to corruption
	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
GRI 206 Anti-competitive Behavior 2016 Learn More	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
GRI 415 Public Policy 2016 Learn More	415-1 Political contributions
GRI 417 Marketing and Labeling 2016 Learn More	417-1 Requirements for product and service information and labeling
	417-2 Incidents of non-compliance concerning product and service information and labeling
	417-3 Incidents of non-compliance concerning marketing communications
GRI 418 Customer Privacy 2016 Learn More	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

If the Company applies SASB, please find below the relevant disclosures along with a link to the complete guidance:

SASB Topic	Disclosure
Business Ethics Learn More	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption

If the Company applies TCFDs, please find below the relevant disclosures along with a link to the complete guidance:

TCFD Core recommendations	TCFD Disclosure recommendations
Governance Learn More	Disclose the organization's governance around climate-related risks and opportunities.
	a. Describe the board's oversight of climate-related risks and opportunities.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.

B.8 ECONOMIC PERFORMANCE

Economic performance in ESG reporting refers to the disclosure of company's financial performance and its impact on the economy, an important pillar of ESG. This information helps stakeholders make informed decisions and assess the company's long term viability. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed
	201-2 Financial implications and other risks and opportunities due to climate change
	201-3 Defined benefit plan obligations and other retirement plans
Learn More	201-4 Financial assistance received from government
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported
Learn More	203-2 Significant indirect economic impacts

B.9 ESG INDEX

Companies can create an ESG index, structured data with specific metrics to track progress and to help stakeholders to compare performance against peers and over time.

	KPI	2024	2023
ENVIRONMENT	Average fleet Energy Efficiency Operation Index (EEOI)	gr CO_2/ Tonne-mile	gr CO_2/ Tonne-mile
	Average fleet Annual Efficiency Ratio (AER)	gr CO_2/ DWT-mile	gr CO_2/ DWT-mile
	Scope 1 GHG emissions	tn CO_2e	tn CO_2e
	Scope 2 GHG emissions	tn CO_2e	tn CO_2e
	Fuel consumption	tn	tn
	SOX emissions	tn	tn
	NOX emissions	tn	tn
	Total fleet and office Energy Consumption	GJ	GJ
	Number and volume of spills and releases to the environment	Number	Number
	Percentage of fleet equipped with EGCSs	%	%
	Percentage of fleet equipped with BWTS	%	%

SOCIAL	KPI	2024	2023
	Number of seafarers	Number	Number
	Seafarers' retention rate	%	%
	Employees ashore	Number	Number
	Women employees	%	%
	Percentage of employees with seagoing experience	%	%
	Number of serious marine incidents	Number	Number
	Number of port state controls deficiencies and detentions	Number	Number
	Average Port State Control deficiency ratio	Ratio	Ratio
	Lost time injury (LTIF) rate per 1.000.000 manhours	Rate	Rate
	Total recordable cases Frequencies (TRCF) per 1.000.000 manhours	Rate	Rate

GOVERNANCE	KPI	2024	2023
	Port calls in countries that have the 20 lowest rankings in the Transparency International CPI	%	%
	Amount of legal and regulatory fines associated with bribery or corruption	Number	Number
	Number of material weaknesses or deficiencies	Number	Number

B.10 TARGETS AND GOALS

In this chapter, the company can disclose clear and specific information about the goals and targets for each material topic. Ensure that the disclosure of goals and targets is transparent and easily understandable. Report on the progress and provide update on the achievements.

If you are reporting under GRI, see examples below. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 3 Material Topics 2021	3-3 Management of material topics
Requirement: Learn More	For each material topic reported, the organization shall (among others) report the following information about tracking the effectiveness of the actions taken: - processes used to track the effectiveness of the actions; - goals, targets, and indicators used to evaluate progress; - the effectiveness of the actions, including progress toward the goals and targets; - lessons learned and how these have been incorporated into the organization's operational policies and procedures;

If you are reporting under TCFDs:

TCFD Core recommendations	TCFD Disclosure recommendations
Metrics and Targets Learn More	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

B.11 RISK MANAGEMENT

If you are reporting under GRI, see examples below. A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 3 Material Topics 2021	3-3 Management of material topics
Requirement: Learn More	For each material topic reported, the organization shall (among others): - describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; - report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; - describe its policies or commitments regarding the material topic; - describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential

If you are reporting under TCFD:

TCFD Core recommendations	TCFD Disclosure recommendations
Risk Management Learn More	Disclose how the organization identifies, assesses, and manages climate-related risks.
	a. Describe the organization’s processes for identifying and assessing climate-related risks.
	b. Describe the organization’s processes for managing climate-related risks.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.

TCFD Core recommendations	TCFD Disclosure recommendations
Strategy Learn More	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.
	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
	b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.
	c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

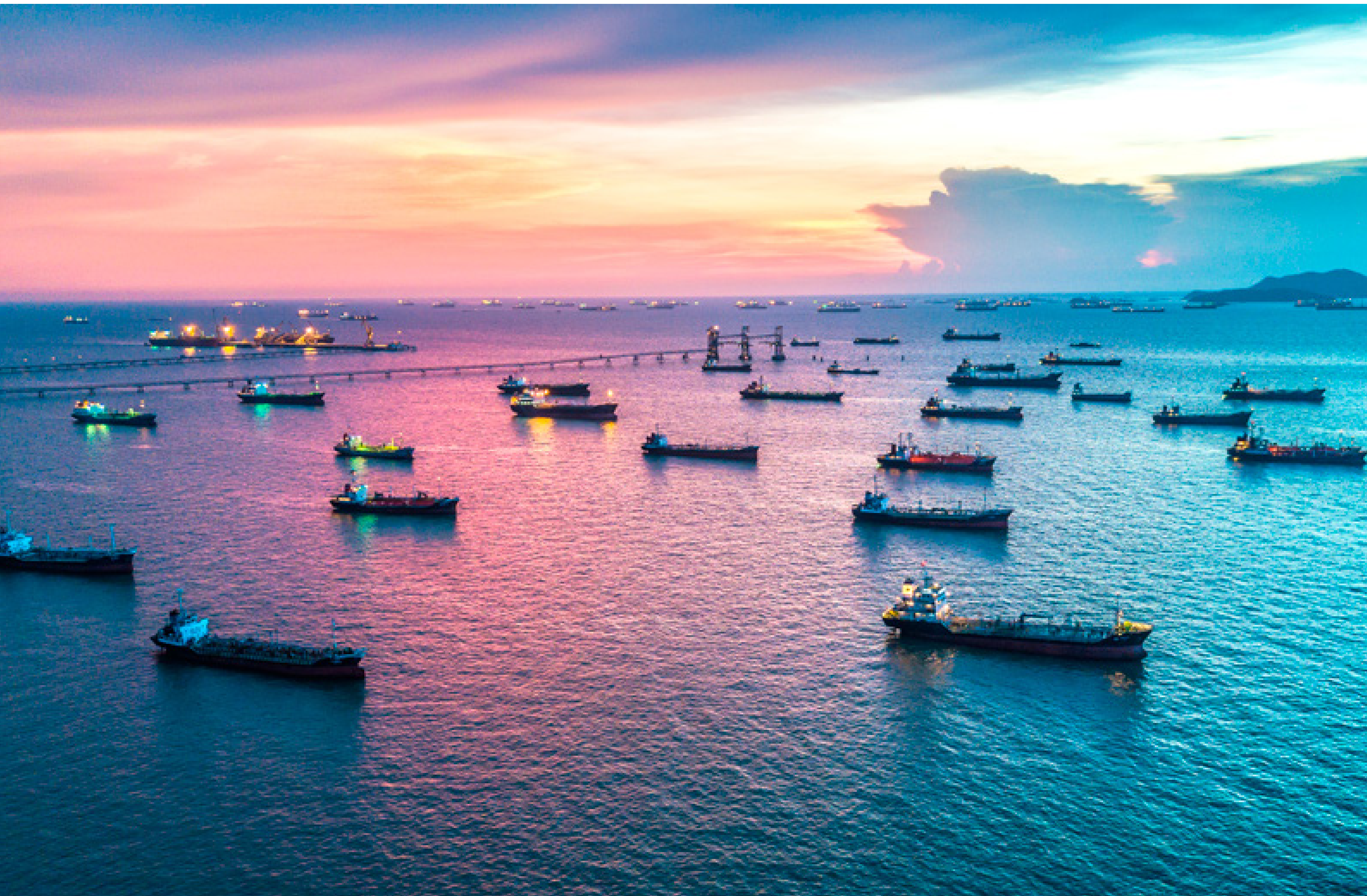
B.12 REPORTING STANDARDS

Clearly state the specific reporting standards used (ie GRI, TCFD, SASB etc) to enhance the transparency and credibility of the reporting process. Please refer to **Appendix A** - ESG Standards and Frameworks relevant to the maritime sector for the overview of the current reporting standards and frameworks landscape.

B.13 ASSURANCE

A free registration will be needed to access the content in the GRI Website.

GRI Topic	Disclosure
GRI 2 General Disclosures 2021 1. The organization and its reporting practices Learn More	2-5 External assurance



6. GLOSSARY

A

"Assurance" on sustainability information means a process in which an independent practitioner obtains either reasonable or limited assurance about the accuracy and reliability of the sustainability information and then based on the assurance obtained either expresses an opinion or a conclusion.

E

"ESG" means Environmental, Social, and Governance. These terms refer to the three central factors typically used in evaluating the sustainability and ethical impact of a company or an investment.

"Environmental factors (E)" means issues relating to the quality and functioning of the natural environment and natural systems. These include: biodiversity loss; greenhouse gas (GHG) emissions, climate change, renewable energy, energy efficiency, air, water or resource depletion or pollution, waste management, stratospheric ozone depletion, changes in land use, ocean acidification, and changes to the nitrogen and phosphorus cycles.

G

"GHG emissions". A greenhouse gas (GHG) is a gas that contributes to the greenhouse effect, and thus has a direct effect on climate change, by absorbing infrared radiation. GHG includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). GHG emissions are measured in carbon dioxide equivalents (CO_2eq). When estimating its GHG emissions, an organization should differentiate between Scope 1, Scope 2, and Scope 3.

- Scope 1 emissions are direct emissions from owned or controlled sources (e.g. natural gas used to heat buildings, fuel for the organization's fleet).
- Scope 2 emissions are indirect emissions from the generation of purchased energy. Depending on the country's or state's electric mix (share of nuclear, renewable, coal, oil, gas consumed to produce the electricity consumed), a same amount of electricity consumed can lead to different amount of Scope 2 GHG emissions.
- Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

"GRI" means the Global Reporting Initiative, an independent international organization that has been involved in sustainability reporting since 1997. GRI is the most widely used and most extensive voluntary reporting framework for ESG and sustainability topics. The latest version of its framework, the GRI Standards was published in 2016. GRI's webpage is available here. For more details, see please Appendix A.

"GRI Standards" are a set of standards published by the GRI, which anticipate that companies will choose their own level of disclosure on a wide variety of ESG and sustainability topics and publish annual sustainability reports.

"Governance factors (G)" are a set of relationships between the undertaking's management, its board, its shareholders, and other stakeholders. Governance provides the structure and processes through which the objectives of the undertaking are set, progress against performance is monitored, and results are evaluated.

"Greenwashing" means the act of making false or misleading claims about the environmental benefits or performance of a product, service, technology, or organization.

H

"Human Rights" are rights inherent to all human beings, which include, at a minimum, the rights set out in the United Nations (UN) International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

I

"Impact" is the effect the organization has or could have on the economy, environment, and people, including their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development.

"Integrated reporting" means a process founded on integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation. Integrated reporting brings together material information about an organization's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates. It provides a clear and concise representation of how the organization demonstrates stewardship and how it creates value, now and in the future.

"International Financial Reporting Standards (IFRS)" means the global accounting standards developed by the IFRS Foundation, a not-for-profit international organization. Their mission is to develop standards that bring transparency, accountability and efficiency to financial markets around the world. IFRS Standards are now required in more than 140 jurisdictions, with many others permitting their use. For more details, see please Appendix A.

"International Sustainability Standards Board (ISSB)" On 3 November 2021, the IFRS Foundation Trustees announced the creation of a new standard-setting board—the International Sustainability Standards Board (ISSB). The intention is for the ISSB to deliver a comprehensive global baseline of sustainability-related disclosure standards that provide investors and other capital market participants with information about companies' sustainability-related risks and opportunities to help them make informed decisions.

L

"Local community" individuals or groups of individuals living or working in areas that are affected or that could be affected by the organization's activities.

M

"Materiality" means quality of being relevant and significant. The SASB Standards define information as financially material "if omitting, misstating, or obscuring it could reasonably be expected to influence investment or lending decisions that users make on the basis of their assessments of short-, medium-, and long-term financial performance and enterprise value."

"Material topics" are topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights.

"Metrics" are qualitative and quantitative indicators that the undertaking uses to measure and report on the effectiveness of the delivery of its sustainability-related policies and against its targets over time.

P

"Poseidon Principles" means the global framework for assessment and disclosure of the climate alignment of ship finance portfolios. The framework was designed to be consistent with the policies and goals of the International Maritime Organization, including the ambition to reduce annual GHG emissions from the shipping sector by at least 50% by 2050. For more details, see please Appendix A.

S

"SASB" means the Sustainability Accounting Standards Board. The SASB finalized industry-specific voluntary reporting frameworks for "material" ESG and sustainability topics in late 2018. The SASB encourages companies to disclose "material" ESG and sustainability information on identified topics in annual financial reports. SASB's webpage is available here. For more details, see please Appendix A.

"Social factors (S)" means issues relating to the rights, well-being and interests of people and communities. These include: human rights, labour standards in the supply chain, child, slave and bonded labour, workplace health and safety, freedom of association and freedom of expression, human capital management and employee relations; diversity; relations with local communities, activities in conflict zones, health and access to medicine, HIV/AIDS, consumer protection; and controversial weapons.

"Stakeholder" an individual or group that has an interest that is affected or could be affected by the organization's activities.

"Stakeholder engagement" an ongoing process of interaction and dialogue between the undertaking and its stakeholders that enables the undertaking to hear, understand and respond to their interests and concerns.

"Sustainability" is a term broadly used to describe the ability to balance between meeting a given set of current needs without compromising the ability of future generations to meet their own needs.

"Sustainability Report" means the report produced by an organization to inform stakeholders about its policies, programs, and performance regarding ESG and other matters. Sustainability reports, sometimes referred to as corporate citizenship reports, or CSR reports, are usually voluntary, and are sometimes independently audited and/or integrated into financial reports. There is a growing trend toward integration and assurance.

"Sustainable Development Goals (SDGs)" refers to the UN Sustainable Development Goals (SDGs), also known as the Global Goals, are a collection of 17 interlinked global goals designed to be a "blueprint to achieve a better and more sustainable future for all". For more details, see please Appendix A.

T

"Targets" are measurable, outcome-oriented goals that the undertaking aims to achieve in relation to material impacts, risks or opportunities.

"TCFD" means the Taskforce on Climate-related Financial Disclosures. The TCFD published international recommendations for companies to disclose climate-related financial and physical risks and opportunities in 2017, which call for companies to undertake climate scenario analysis and report on their findings. The TCFD webpage is available here. For more details, see please Appendix A.

U

"United Nations Global Compact (UNGC)" refers to the UN Global Compact (UNGC) aims to mobilize a global movement of sustainable companies and stakeholders. The UN Global Compact supports companies in: doing business responsibly by aligning their strategies and operations with Ten Principles on human rights, labour, environment and anti-corruption; and taking strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation. For more details, see please Appendix A.

V

"Value chain" a value chain encompasses the activities, resources and relationships the undertaking uses and relies on to create its products or services from conception to delivery, consumption and end-of life.

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