

## Press Release

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### **The importance of Environmental, Social and Governance (ESG) performance in accessing shipping finance - Insights from PwC Greece on the key steps for the shipping industry to start preparing for the future**

PwC Greece addressed the crucial issue of Environmental, Social and Governance (ESG) factors in the maritime industry and their link to shipping finance during an online event titled “The importance of ESG factors in accessing shipping finance”, organised on 11 June 2020. The event was attended by shipping industry decision-makers amongst which CFOs and Heads of Finance who were updated by the PwC experts on a number of key developments related to ESG that will directly impact shipping companies, such as:

- The different developing frameworks for monitoring ESG performance;
- The increased ESG requirements for financial institutions and, consequently, their portfolios
- The impact of ESG ratings on investors' and financiers' decision making
- Ways that shipping companies can develop an ESG strategy and reporting process
- Insights and challenges related ESG reporting and automation for shipping companies.

ESG performance is becoming an increasingly important topic for all stakeholders within the shipping industry. The recent ESG trends are increasingly impacting the decisions of investors in the capital markets and the ability of shipping companies to access financing. The shipping companies are now called to respond to the new ESG monitoring and reporting requirements, measure the ESG impact of their operations and adapt the way they operate so as to meet these constantly evolving requirements.

Shipping companies are progressively required to comply with multiple and continuously changing ESG related standards and regulations which are highly impacting their operations.



Increased requirements in the protection of the marine environment, the impacts of climate change, the importance of crew welfare and wellbeing, the application of high health and safety standards, the introduction of sustainable procurement practices and the adoption of corporate governance best practices are some of the ESG factors linked to the long-term sustainable growth of the shipping companies.

Dimitris Sakipis, Head of ESG and Maritime Sustainability Center, PwC Greece, commented: “The continuously rising importance of ESG factors in maritime industry, is linked to stakeholders’ expectations for increased transparency over the non-financial aspects of the companies’ performance. Investors are now considering that ESG performance is highly correlated to creditor risk and they look to integrate ESG related risk factors in their investment processes”.

Additionally, financial market participants, including banks, investors and insurance companies, gradually increase their ESG requirements from shipping companies who wish to access finance or attract investors. Having started from evaluating their environmental footprint, their focus will be soon directed onto social and governance factors, and then on a full ESG strategy plan which will assist shipping companies to improve their ESG performance.

As ESG challenges for shipping companies keep rising, PwC Greece has already established a Center of Excellence on Maritime Sustainability which aims to support them in monitoring and improving their ESG performance and reporting. PwC Greece has also recently launched an ESG Intelligence tool based on the latest technologies which, combined with deep shipping market expertise, helps companies overcome the ESG monitoring and reporting challenges. Automation and standardization of data collection processes, reduction of reporting time, integration of information from multiple resources, assisting in complying requirements and improvement of performance monitoring are some of the adding value key features of the tool.

Kostas Perris, Governance, Risk and Compliance Leader, PwC Greece stated “Good ESG performance is becoming a priority for the shipping companies wishing to access financing. However, this means that they now have to meet the requirements of different stakeholders like financial market participants, charterers, regulators, industry organizations, shareholders and the wider community, to design and implement new ESG business strategies as well as to monitor and accurately report their ESG performance. PwC Greece is leading developments by combining its expertise with state-of-the-art technology, being a trusted partner for shipping companies when addressing these challenges”.

#### **About PwC**

At PwC, our purpose is to build trust in society and solve important problems. We're a network of firms in 158 countries with more than 250,000 people who are committed to delivering quality in assurance, advisory and tax services. Find out more and tell us what matters to you by visiting us at [www.pwc.com](http://www.pwc.com). © 2020 PwC Greece. All rights reserved.