

Q&A

Expert answers to
key ESG questions for
maritime businesses

**This guide answers
some of the initial
ESG questions
for maritime
businesses.**

If you don't find your answer:

Get in touch

1

Who is affected by maritime ESG regulation?

ESG regulations impact stakeholders across the shipping industry, including companies, employees, investors, and customers. Compliance and commitment to ESG principles are essential for sustainable operations, with larger companies needing immediate action. However, ESG compliance will soon affect smaller and medium sized companies as well.

2

What impact will ESG have on my company?

ESG regulations can significantly impact your business's reputation, operational costs, access to capital, and market competitiveness. Embracing ESG with a carefully considered plan can lead to long-term cost savings, operational efficiencies, sustainability and profitability.

3

How can we measure ESG performance?

Implementing KPIs for emissions reduction, diversity metrics, and governance helps measure ESG performance. The data capture and reporting process can be complex and costly to manage in-house. Solutions like Metizoft's create clear, consistent ESG reports based on the latest requirements. We offer flexible, scalable software packages tailored to your company's needs, from templates to complete services.

04

Environmental: What does this mean for my company?

Environmental aspects include emissions, energy efficiency, waste management, ship recycling and pollution. ESG regulations related to the environment may require GHG emissions reductions (Scope 1, 2, and 3), fuel efficiency improvements, and more eco-friendly practices, impacting your fleet and operations.

05

Social: What does this mean for my company?

ESG regulations often require companies to prioritize employee rights, well-being, diversity and inclusion, as well as occupational health, safety and environment (HSE). Compliance could entail changes in HR policies and safety measures.

06

Governance: What does this mean for my company?

Governance aspects of ESG encompass board structure, responsible management, transparency, ethics and anti-corruption. Understanding these regulations can help ensure proper corporate governance and compliance, which is crucial for investor confidence.

07

What are the financial risks and opportunities?

ESG compliance can affect operational costs, insurance premiums, and financing options, with many lenders now offering ESG performance-linked loans. Failing to address ESG concerns can lead to financial risks, while proactive ESG strategies can open up new investment opportunities and partnerships.

08

Is the SFDR relevant to the maritime industry?

The SFDR applies to all EU-based investment firms, funds and advisors. It determines how these companies should undertake sustainability reporting across industries and classify their environmental objectives. If your company is currently owned by one of these entities or wants to raise capital with one, you will likely have to report against these regulations.

09

What parts of the EU taxonomy apply to my company?

For the maritime industry, there are especially four topics that are relevant in the current version of the EU taxonomy:

- Manufacture of low-carbon technologies for transport
- Inland passenger water transport
- Sea and coastal freight water transport and vessels for port operations and auxiliary activities.
- Sea and coastal passenger water transport

10

What are the benefits of proactively addressing ESG concerns?

Proactive ESG initiatives can enhance your company's reputation, reduce risks, attract investors, improve access to capital, and create operational efficiencies.

11

How can upcoming ESG regulations impact our supply chain?

Upcoming ESG regulations may require transparency and adherence to ESG principles from your supply chain partners that differ from your own direct regulatory requirements. This could affect procurement decisions, risk assessments, and collaboration strategies.

12

What steps can we take now to prepare for future ESG regulations?

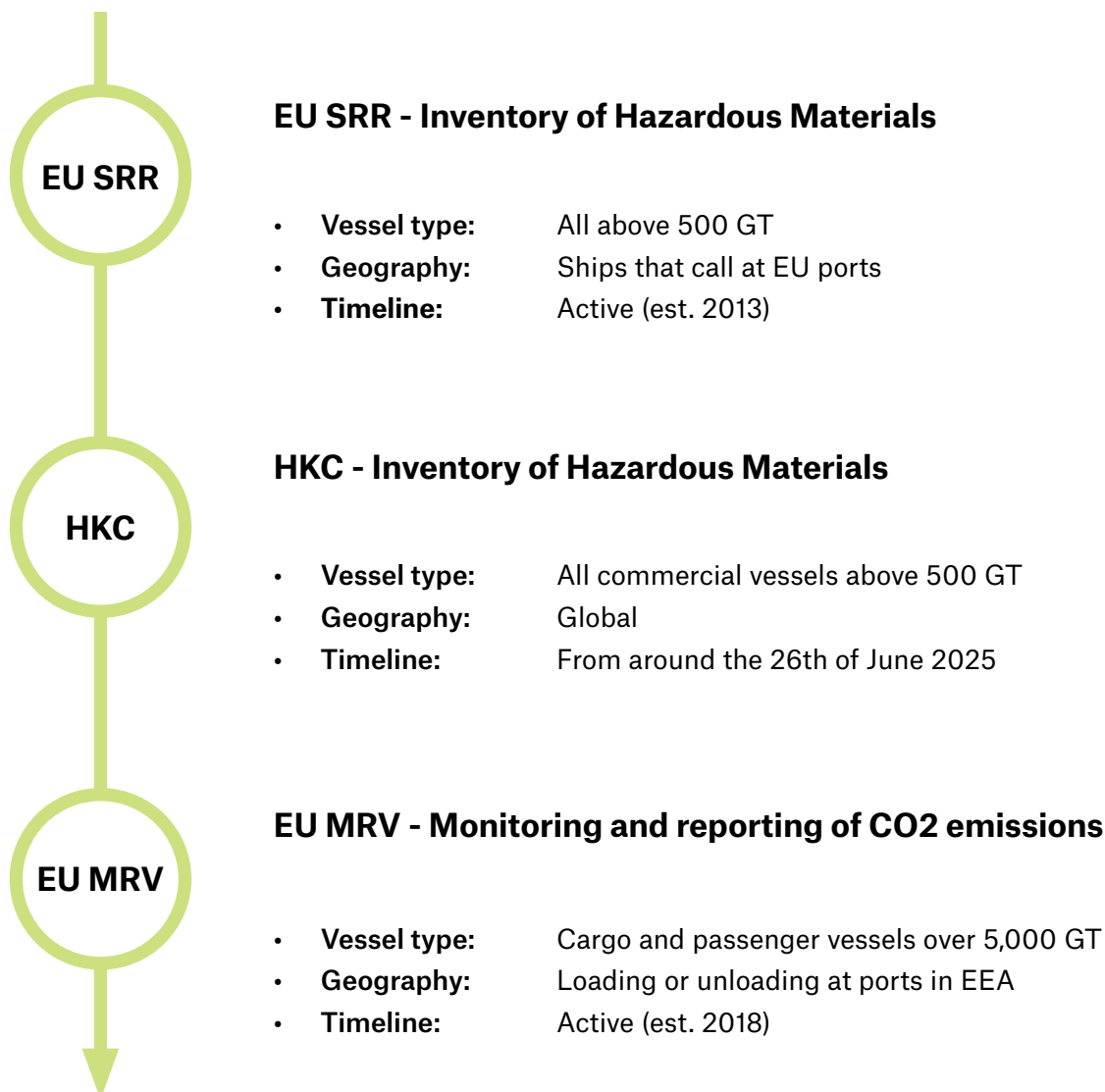
Our team of ESG experts stay on top of evolving regulations for you, helping you navigate the specific requirements of your company. Let Metizoft's professionals handle the changing regulatory landscape while you focus on your core business.

ESG reporting requirements

Which ESG reporting requirements does my company need to comply with?

Depending on your company size, market and stakeholders, you may already need to report on specific ESG metrics.

Below is an overview of some of the key ESG regulations that are already in place or are soon to take effect.





EU ETS

EU ETS - Emissions Trading System

- **Vessel type:** Cargo and passenger vessels above 5,000 GT
- **Geography:** Voyages departing from or arriving at an EU port of call
- **Timeline:** 40% of verified emissions in 2024, 70% in 2025 and 100% in 2026
- **Upcoming changes:** Offshore service vessels above 5,000 GT to be included from 1st of Jan 2027

CSR ESRS

CSR and ESRS - Sustainability reporting

Full version for the accounting year **2024** for NFRD companies with:

- **Vessel type:** Cargo and passenger vessels above 5,000 GT
- **Geography:** Voyages departing from or arriving at an EU port of call
- **Timeline:** 40% of verified emissions in 2024, 70% in 2025 and 100% in 2026
- **Upcoming changes:** Offshore service vessels above 5,000 GT to be included from 1st of Jan 2027

Full version for the accounting year **2025** for large companies. That means those which exceed at least two out of three:

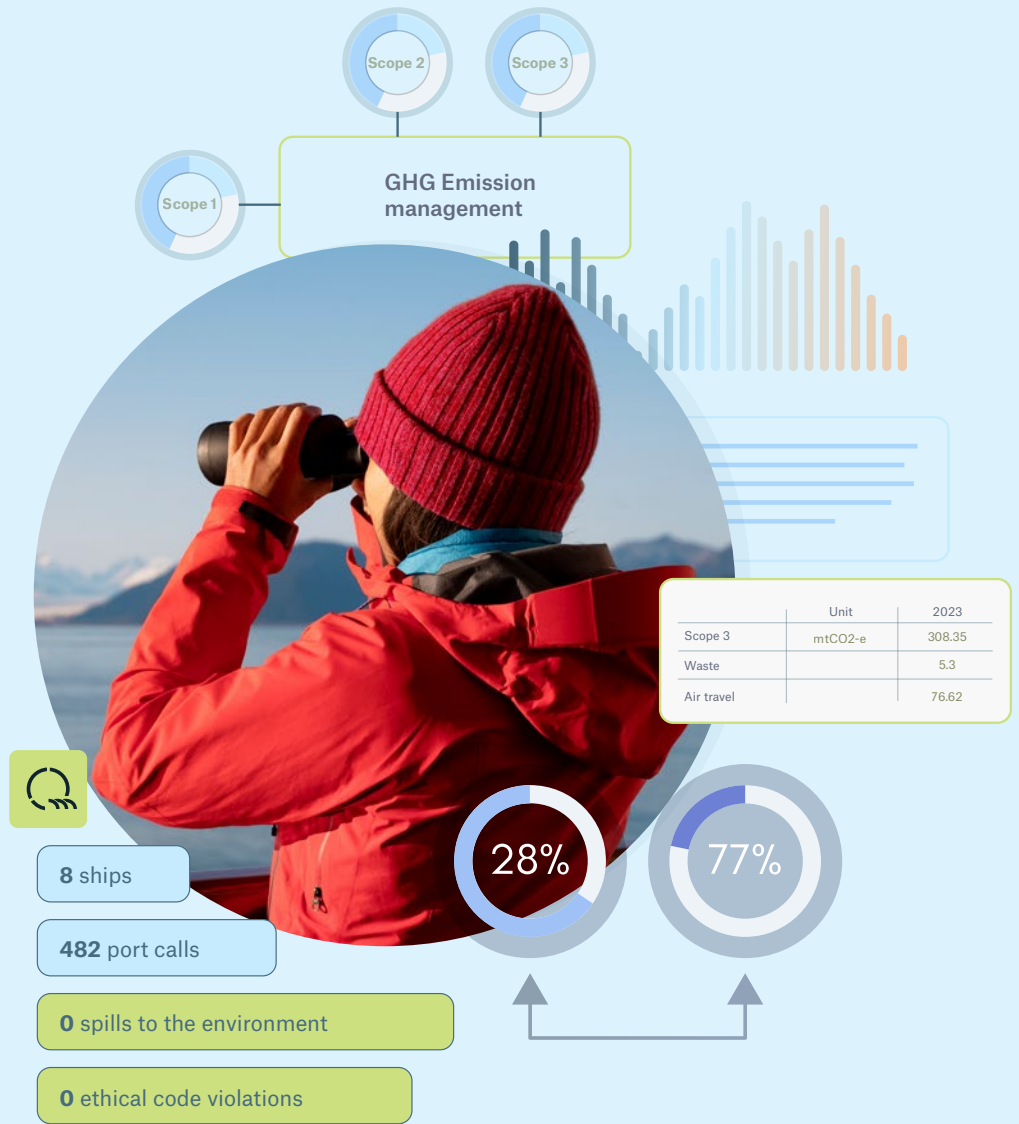
- **Balance sheet total:** 25 mEUR
- **Net turnover:** 50 mEUR
- An average of 250 full-time equivalents throughout the accounting year

Simplified version for the accounting year **2026** for listed small and medium-sized companies, that is, those which exceed at least two out of three:

- **Net turnover:** 900,000 EUR
- **Balance sheet total:** 450,000 EUR
- An average of 10 full-time equivalents throughout the accounting year

But do not exceed at least two out of these three:

- **Net turnover:** 50 mEUR
- **Balance sheet total:** 25 mEUR
- An average of 250 full-time equivalents throughout the accounting year



Metizoft ESG

Curious to find out how the Metizoft ESG reporting software can make it easier to manage your reporting requirements?

[Book a demo](#)