



ESG Playbook for Shipping

The essentials



Mærsk Mc-Kinney Møller Center
for Zero Carbon Shipping



BOSTON
CONSULTING
GROUP

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Navigation Guide

Simple instructions to help you navigate this interactive document

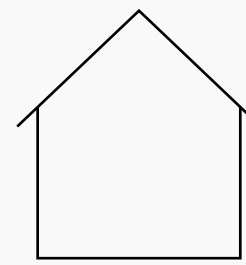
You will encounter the following elements throughout the document, all of which will be clickable:



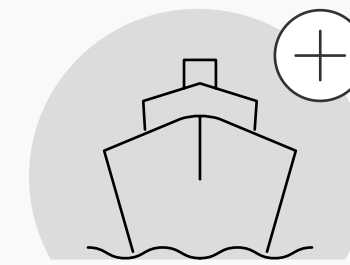
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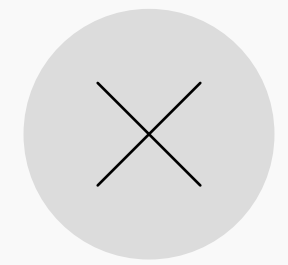
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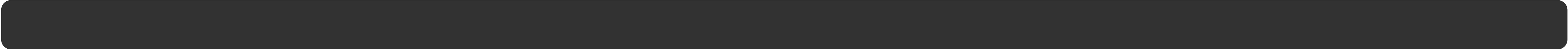
Uncover more
information



Close pop-up

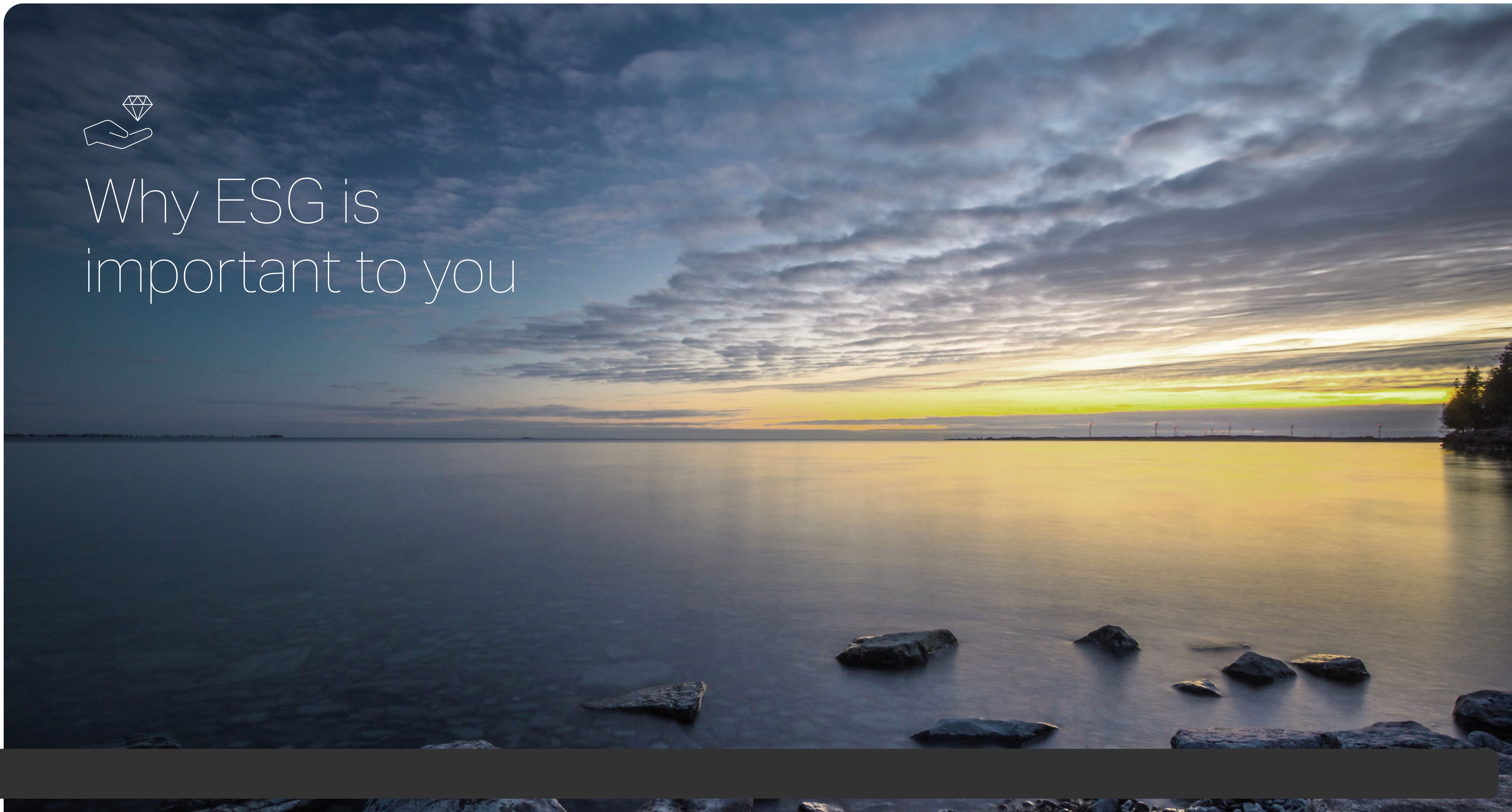


Content of the ESG Playbook for Shipping

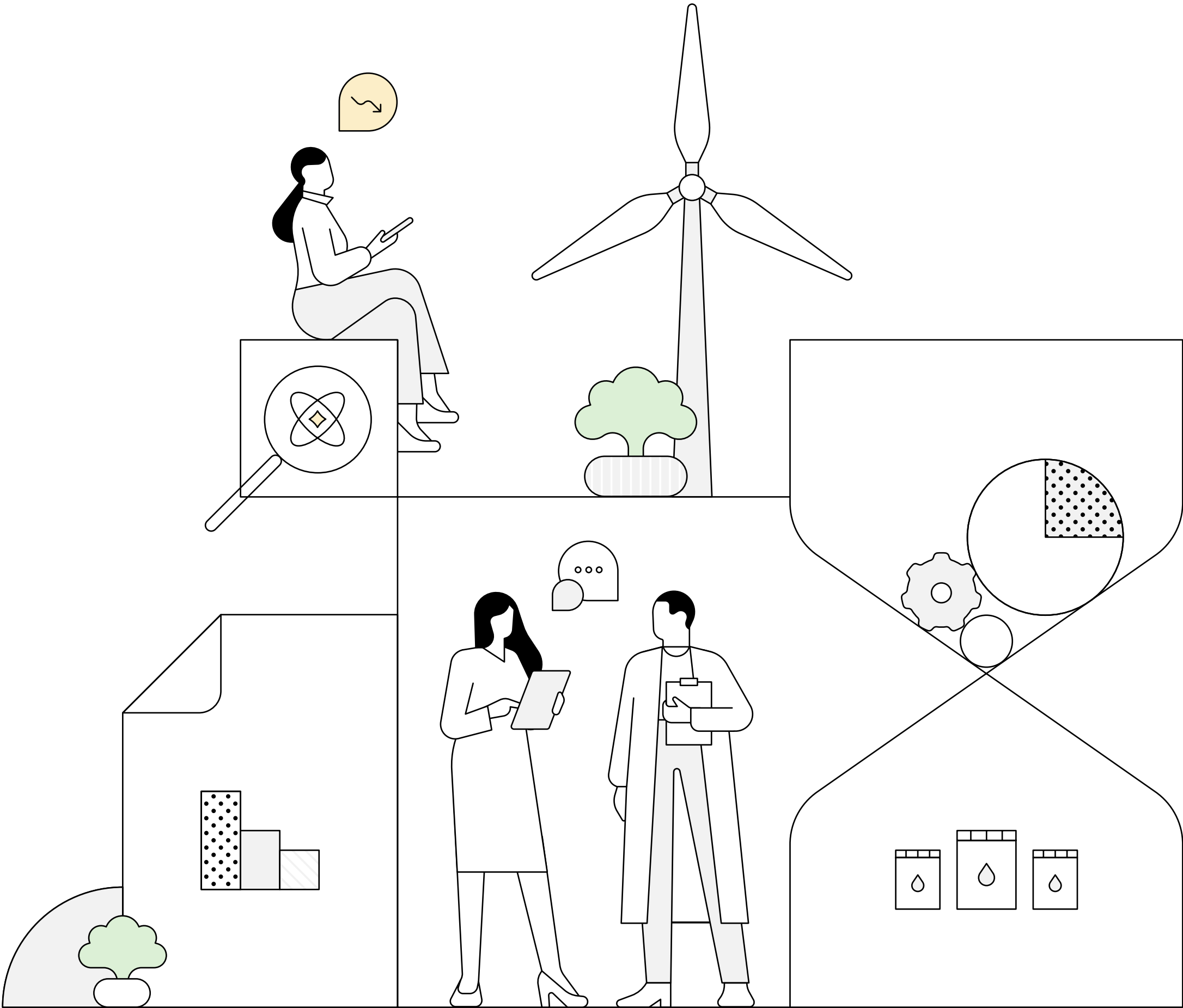




Why ESG is important to you



What is ESG?



Purpose of the ESG Playbook for Shipping

Unlock the value proposition of ESG through concrete tools and processes tailored for the shipping industry

Call to action

Now is the time to act!

Today

Sustainability can provide
a competitive advantage

Tomorrow

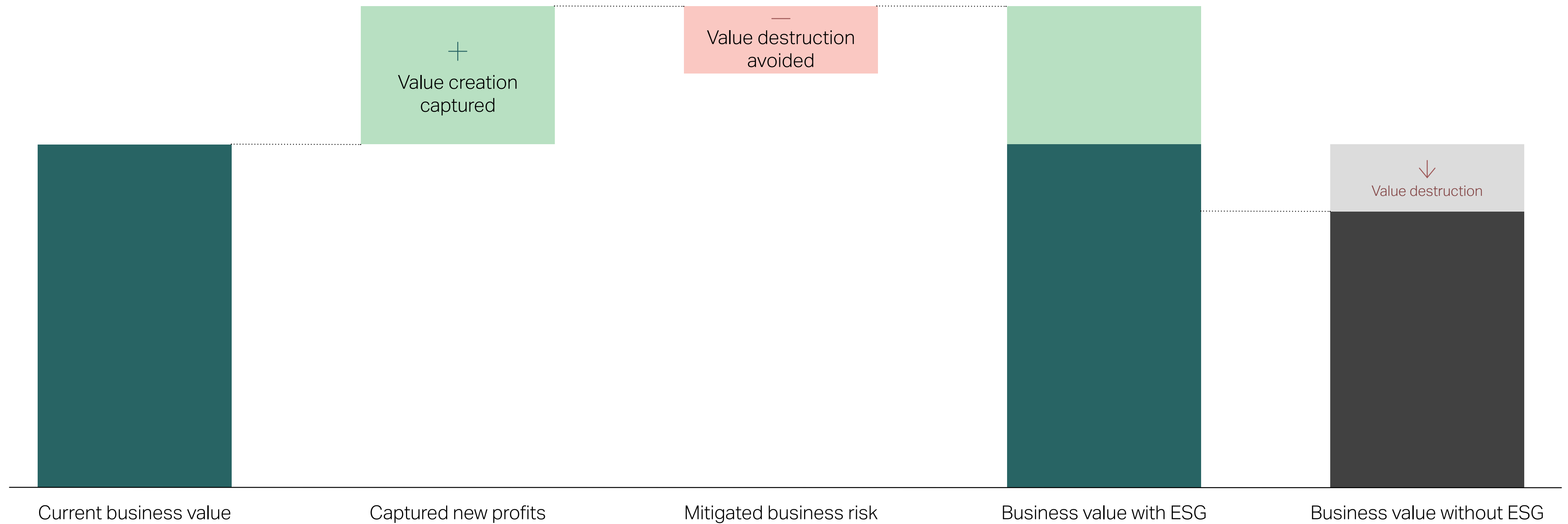
Sustainability will become
a license to operate

Source: Mercator Research Institute on Global Commons and Climate Change; Earth Overshoot Day; Stockholm Resilience Centre; Financial Times; Demand for ESG Investments Outstrips Supply (2022); MMMCZCS: Ready, Set, Decarbonize (2022); BCG analysis; BCG: The Road Ahead for Low-Carbon Fuels (2022)

Value of ESG

ESG can be deployed to capture new sustainable business value and mitigate current and future business risks

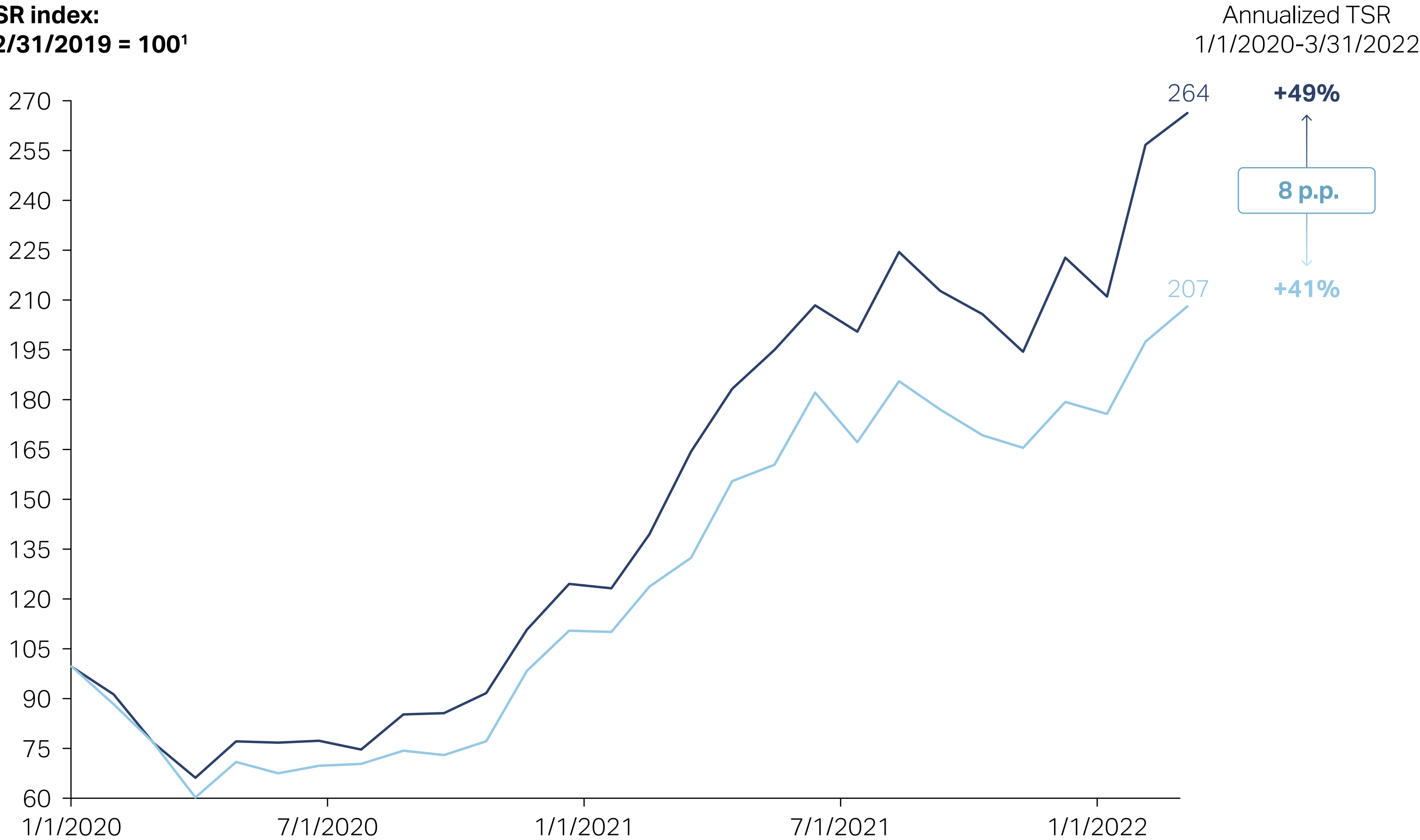
The ESG imperative



Source: BCG & MMMCZCS analysis

Shipping companies that choose to lead on ESG capture superior value

TSR index:
12/31/2019 = 100¹



Shipping companies with robust ESG strategies deliver better shareholder returns

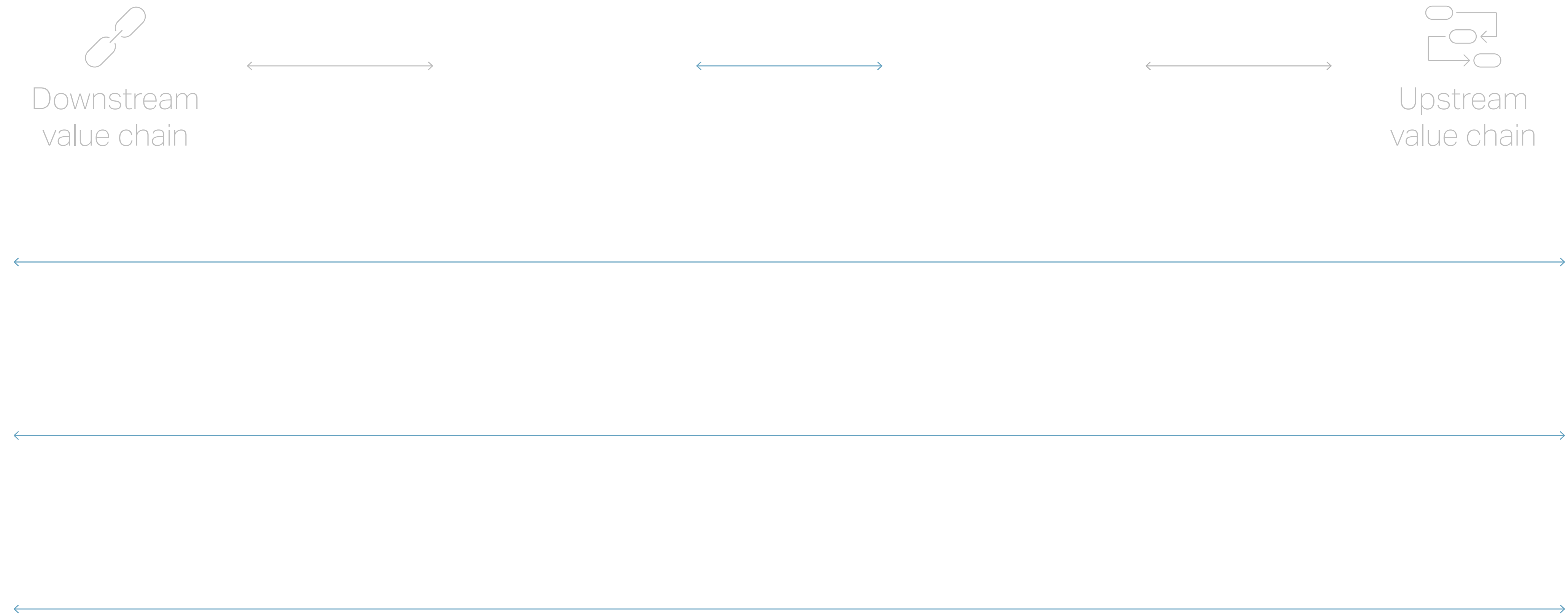
ESG score:
Environmental + Social + Governance commitment and effectiveness

TSR:
Total Shareholder Return (share price return and dividend yield)

Note:1. Median rebalanced monthly total return of a set of 40 Marine Transport players; 2. ESG score measure a company's relative material Environmental (e.g., Toxic Waste & Emissions, Carbon Emissions), Social (e.g., Health & Safety) and Governance (e.g., Corporate Governance, Corporate Behavior) performance, commitment and effectiveness

A new mindset is required

ESG accountability requires a new mindset focusing on collective action across the value chain



Source: BCG & MMCZCS analysis

Environmental, Social & Governance reinforcement

Solid ESG strategies require a  approach & awareness of interdependencies of E, S, & G

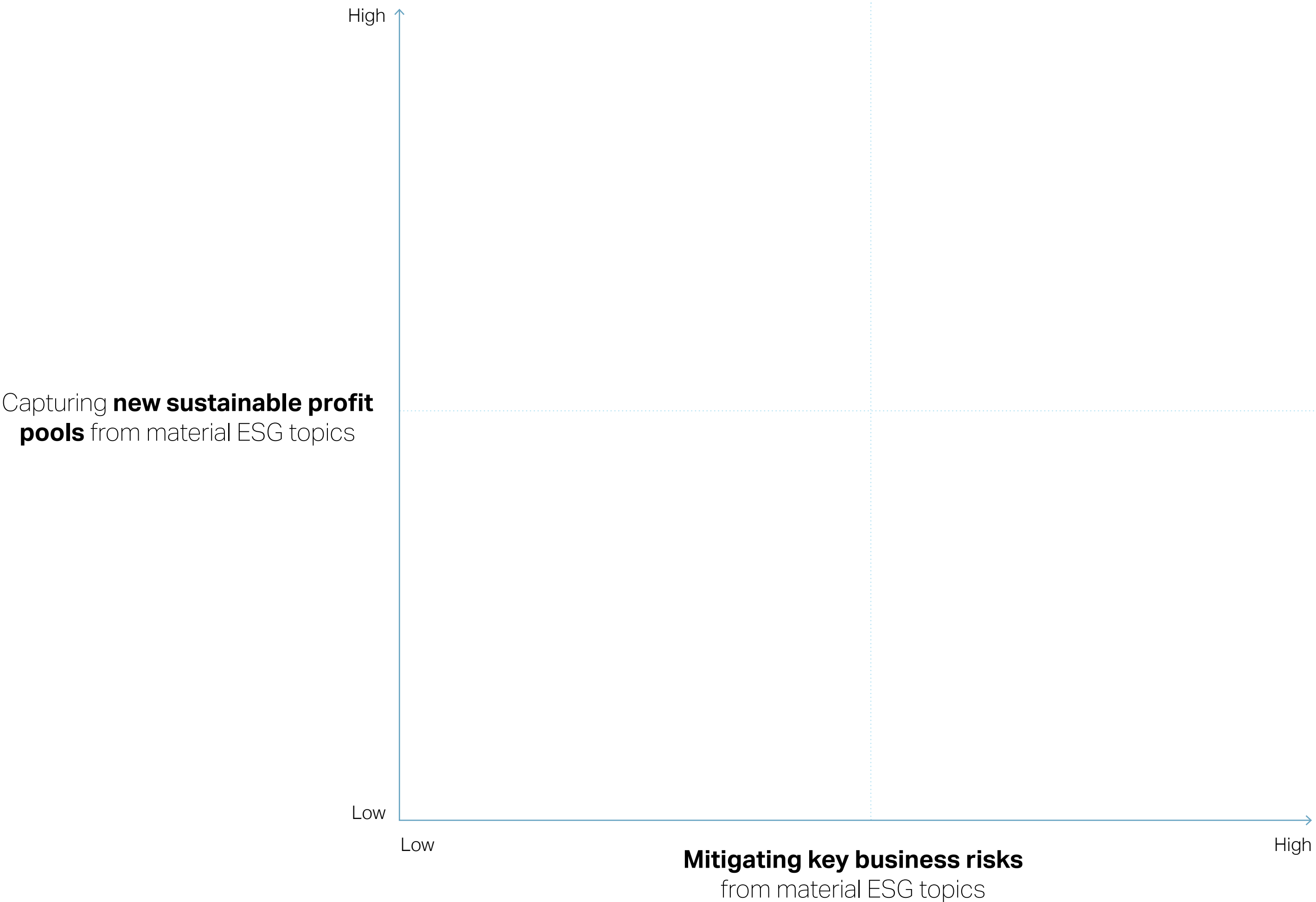
How **integrated thinking**
creates **superior outcomes**

How **disintegrated thinking**
creates **suboptimal outcomes**

Source: BCG & MMCZCS analysis

Strategic approaches

Companies can take one of four approaches to ESG





ESG topics in the shipping industry & your segment



Materiality Assessment

Integrated analysis of which ESG topics you should focus on

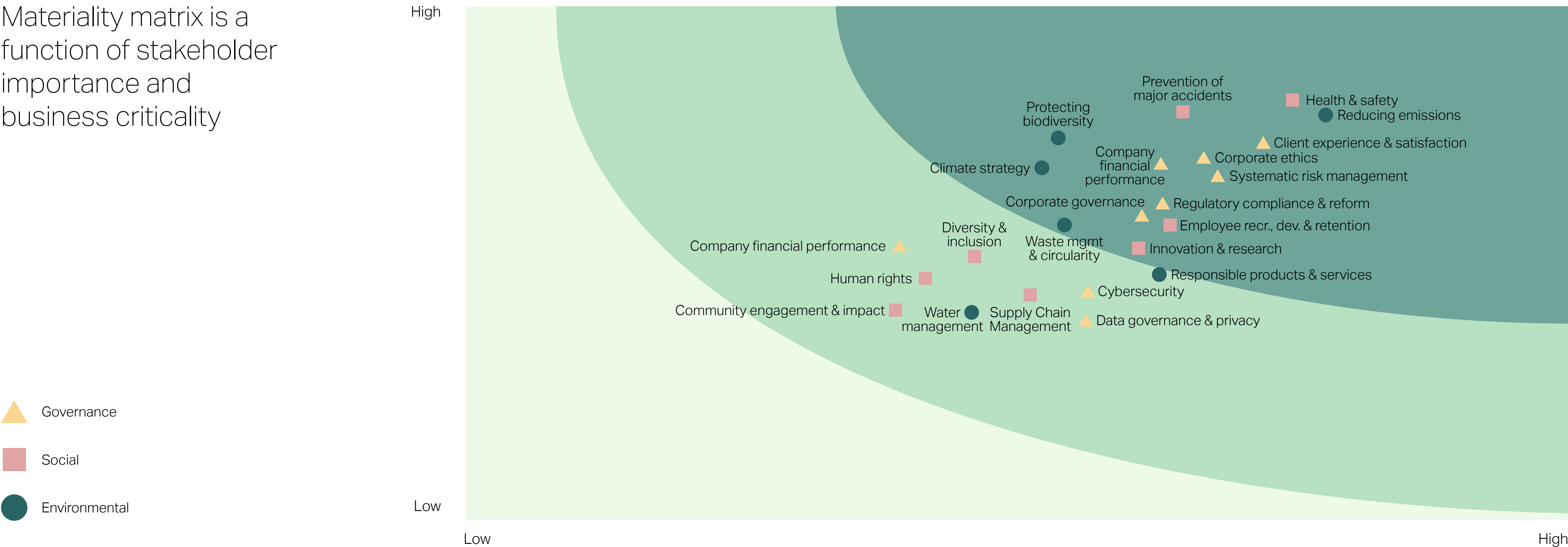


Materiality Matrix

The final output of a materiality assessment is a matrix that highlights the topics most material for your stakeholders and your business

Materiality matrix is a function of stakeholder importance and business criticality

Illustrative



Source: BCG's Materiality Mapping Analytics Product (MMAP)

Materiality Matrices

Each segment has its own materiality matrix encompassing the differences across



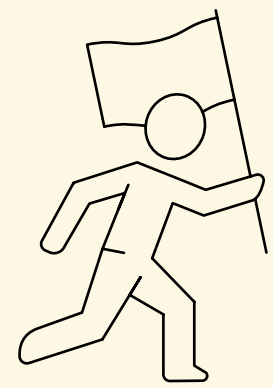
Key components of your ESG Strategy



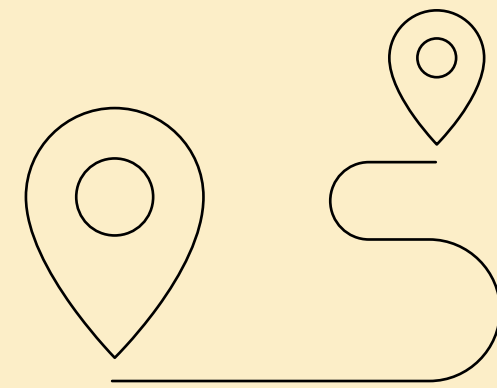
What is a credible ESG strategy?

Strategy credibility through long-term and interim target setting, investments in initiatives, and ongoing transparency on progress

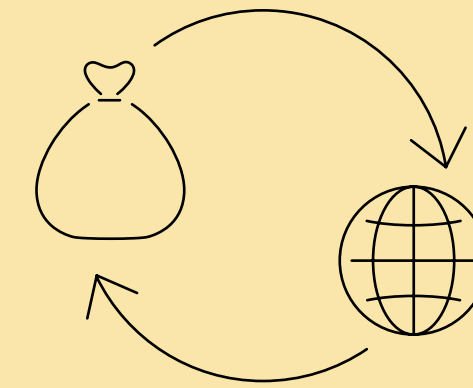
Foundation of a credible ESG strategy



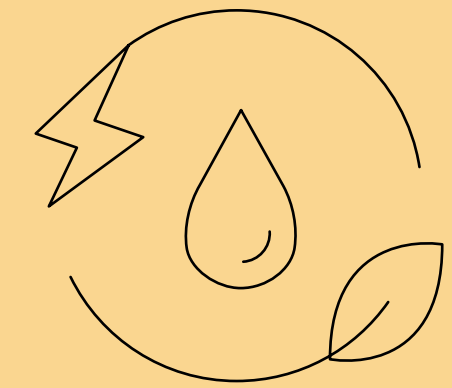
Set time-bound long-term ESG commitments with interim targets



Develop an initiative roadmap for how to achieve targets



Invest in initiatives and governance



Track progress and report using globally recognized standards such as SASB, GRI, CDP, and TCFD

Building blocks

Five instrumental pieces of your ESG strategy

The key pieces constitutes the **ESG strategy**

Source: BCG and MMMCZCS analysis

Phases

The strategy process consists of 3 phases and 10 key meetings

Why is it important to you?

What will you prioritize?

How do you execute?



Contact Information

Contact

If you want to know more or be assisted in the process of making your ESG strategy - reach out to us!



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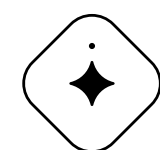
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Read more about BCG's Climate
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