ESG Maturity in Abu Dhabi's Maritime Sector

A reporting handbook for a sustainable Maritime Sector in Abu Dhabi

أبوظبي البحرية
ABU DHABI MARITIME

IN COOPERATION WITH
DEPARTMENT OF MUNICIPALITIES AND TRANSPORT

أبوظبي للتنقل
Abu Dhabi Mobility

Prologue

The inaugural “ESG Maturity in the Abu Dhabi’s Maritime Sector” report provides a holistic overview of the Environmental, Social, and Governance (ESG) maturity in the maritime sector in Abu Dhabi (hereafter referred to as Abu Dhabi’s Maritime Sector). It reflects Abu Dhabi Maritime’s commitment to transparency and sustainability by assessing the current state of ESG performance and identifying potential areas of improvement. This report serves as a comprehensive resource for stakeholders, highlighting the sector’s initiatives in alignment with international standards.

This report consolidates the sector’s ESG performance against the ESG framework using stakeholder insights. Distributed questionnaires facilitated a comparative analysis of ESG progress in 2021 and 2022 across diverse maritime activities.

This report is a testament to our commitment to fostering a smart, sustainable, and safe mobility ecosystem. The ITC is driving a new sustainable era to enhance the lives of residents and stimulate economic growth. This strategic transformation leverages cutting-edge technology, innovative ideas, and sustainability initiatives to adapt to the growing population and evolving sector needs.

The boundary of this report considers Abu Dhabi’s Maritime Sector and provides a perspective on the current ESG maturity of the sector. The key outcomes of this report offer strategic insights, defining progress, achievements, and areas for improvement.

It serves as a roadmap for advancing ESG practices, contributing to a sustainable and responsible future for Abu Dhabi’s Maritime Sector.

The stakeholders surveyed include:

- Shipping agents
- Jet ski rental operators
- Boat rental operators
- Cargo forwarding and customs clearance
- Freight forwarders
- Diving service providers
- Boat building companies
- Marine contractors
- Marine and fishing equipment retailers
- Pleasure boating operators
- Water sports retailers
- Maintenance and repairing
- Marine activities service providers
- Yachting industry
- Offshore companies
- Marine project management service providers
- Marine operations

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Chapter 1

Defining Sustainability

What is Sustainability?

Sustainability entails adopting responsible business practices to accelerate growth and empower companies to effectively navigate and align with economic, environmental, and social imperatives, ensuring their enduring viability over the long term.

Sustainable Development

development that meets the needs of the present without compromising the ability of the future generations to meet their own needs (The Brundtland Report, 1987).

Corporate Sustainability

is an umbrella term that encompasses all of a company's efforts to reduce its impact on the world around it. It involves creating long-term stakeholder value through the implementation of a business strategy that focuses on the ethical, social, environmental, cultural, and economic dimensions of doing business.

ESG Focus Areas

Environmental

Consider how a company acts in its role as steward of nature, such as energy use, recycling practices, pollution, and natural resource conversation. The criteria can also be used to assess environmental risks and how the company is managing them.

Social

Examines how well a company manages relationships with employees, suppliers, customers, and the community.

Governance

Is concerned with a company's leadership, internal controls, executive pay, audits, and shareholder rights.

Over the past few years, it has become apparent that sustainability can no longer mean just focusing on the environment, but also how we impact our people, society, and our communities. From this, it became evident that our governance processes also needed to step up to the ever-evolving challenges.

A Global and Local Perspective on Sustainability

Megatrends to demonstrate the urgency and relevance of embracing sustainability now [2] [3]

- 1,300 companies have committed to science-based targets to limit global warming.
- ESG has become a key factor in attracting and retaining top talent, as the workforce of the future is seeking purpose from their work.
- Access to finance is increasingly being associated with the ESG performance of companies.
- The EU Action Plan on Financing Sustainable Growth and the European Green Deal for environmental transformation and modernisation has led to an unprecedented momentum for Sustainable Finance in European countries.
- Increased scrutiny on the ethical performance of businesses and emphasis on the value of resilience over efficiency.
- Increasing demand/need for companies to consider ESG factors across the whole business model and value chain.
- 96% of G250 companies report on sustainability or ESG matters.
- 64% of the G250 acknowledge climate change as a risk to their business.
- TCFD adoption nearly doubled in two years, going from 37% to 61% among the G250.
- 71% of N100 companies identify material ESG topics.
- Fewer than half of G250 companies have leadership-level representation for sustainability.
- The regulatory landscape is changing quickly as governments and regulators realise that issues such as climate change require clear policy direction.

[2] Science Based Targets, Companies taking action, 2022
[3] Big Shifts, Small Steps: Survey of Sustainability Reporting 2022 done by KPMG

Sustainability Progress Globally and Within UAE

Global milestones toward sustainable development.

1972

UN Conference on the Human Environment, Stockholm

UN's first major conference on international environmental issues.

1987

Brundtland Report, "Our Common Future" published

Developed guiding principles for sustainable development.

1992

UN Conference on Environment and Development, (UNCED), Rio de Janeiro

172 participating countries signed 3 agreements, non-binding in international law (Agenda 21, Rio Declaration and Statement of Forest Principles) and 2 legally binding agreements (Framework Convention on Climate Change (UNFCCC) and Convention on Biological Diversity).

1997

UN Conference on Environment and Development, (UNCED), Rio de Janeiro

Rio+5 Conference, New York

First comprehensive status review of work to implement the UNCED's agreements.

Kyoto Protocol adopted in Kyoto, Japan

International treaty extending the 1992 UNFCCC.

2000

UN 2000 Millennium Summit

This led to the Millennium Declaration of the Millennium Development Goals (MDGs).

2002

UN World Summit on Sustainable Development (WSSD), Johannesburg

Examined implementation of resolution made at UNCED, particularly focusing on Agenda 21.

2005

Kyoto Protocol entered into force.

World Summit, New York

A follow-up summit meeting post the Millennium Summit.

2008

Issuance of the World's First Green Bond by the World Bank

In response to demand from large institutional investors desiring liquid investment that explicitly supported climate-related project financing.

2012

Conference on Sustainable Development Rio+20

The international community renewed political commitment to sustainable development assessed to-date progress and gaps and identified solutions to new challenges.
Conference outcomes are recorded in the 50-page document "The Future We Want".

2015

UN Climate Change Conference or Conference of the Parties (COP21), Paris

195 countries adopted the Paris Agreement, the first-ever universal, legally binding global climate deal.

2015

Green Bond Principles introduced by the International Capital Markets Associate (ICMA)

Voluntary process guidelines for companies wishing to issue Green Bonds.

United Nation's Sustainable Development Summit

Adoption of the 17 United Nations Sustainable Development Goals (UN SDGs) of the 2030 Agenda for Sustainable Development by 193 UN Member States.

2016

Paris Agreement on Climate Change came into force.

Introduction of Social Bond Principles by ICMA

Update to Green Bond Principles.

2016

17 SDGs came into force.

2017

Task Force on Climate-related Financial Disclosures (TCFD)

The final report released established recommendations for helping businesses disclose climate-related financial information.

Local milestones toward sustainable development

2015

UAE's Climate Change Plan 2017 – 2050

- Manage greenhouse (GHG) emissions while sustaining economic growth.
- Build climate resilience by minimising risks and increasing capacity for climate adaptation.
- Advance the UAE's economic diversification agenda through innovative solutions.

2017

Abu Dhabi's Plan Maritime

- The Plan Maritime is a comprehensive coastal and maritime framework document for Abu Dhabi, addressing key challenges through multiple frameworks by establishing objectives, policies, administrative procedures, and an implementation plan.

2020

Most Liveable City in the MENA Region' from The Economist Intelligence Unit (The EUI)

- In 2020, Abu Dhabi received the title of the 'Most Liveable City in the MENA Region'. A recognition based on the stability, culture and environment, education and infrastructure, and healthcare of a city.

2017

UAE Green Agenda

- Competitive knowledge economy.
- Social development and quality of life.
- Sustainable environment and valued natural resources.
- Clean energy and climate action.
- Green life and sustainable resources.

2020

Environment Vision 2030 (Abu Dhabi)

- Minimise the impact of climate change.
- Efficient management and conservation of water resources.
- Preserve Biodiversity, habitats, and cultural heritage.
- Optimise material flows and waste management.

2020

Mandatory ESG reporting for listed companies in the UAE

- Following Article (76) of the Chairman of Securities and Commodities Authority (SCA) Board Decision No. (03 R.M.) of 2020 published by the National Securities and Commodities Authority on new corporate governance rules, as proof of its commitment to the UAE's climate goals, all publicly listed companies in the Abu Dhabi Securities Exchange (ADX) and the Dubai Financial Market (DFM) must publish a sustainability report.

2021

UAE's Net Zero 2050

- Committed to net zero emissions by 2050 as a leader in sustainable development.

2021

Circular Economy Policy

- The UAE Circular Economy policy was launched in 2021 and outlines some of the ways the UAE can transition to a circular economy. This looks at priority sectors such as sustainable manufacturing, green infrastructure, sustainable transport, and sustainable food production and consumption.

2021-2022

Expo 2020 Dubai

- The UAE hosted one of the most sustainable World Expos to date. The SDGs were the heart of Expo 2020 - Dubai. In accordance with the theme 'Connecting Minds, Creating the Future', Expo 2020 provided a unique and profound global opportunity to bridge divides, celebrate diversity, and drive collective action for a better tomorrow.

2022

We The UAE 2031

- We The UAE 2031 was launched in 2022, as a national plan and road map for the next 50 years. The national plan is an integrated programme shaping the future of the country within the next ten years with a focus on social, economic, investment, and development aspects.

2023

'Arab Environment Capital' The Secretariat General of the Arab League and the Council of Arab Environment Ministers

- Abu Dhabi was named as the Arab Environmental Capital for 2023, in recognition of the Emirates achievements in ecological conservation, environmental protection, and climate action.

2023

Year of Sustainability

- 2023 was declared the Year of Sustainability. The Year of Sustainability aims to inspire and change behaviours towards sustainable practices and collection. It fosters public participation in three key areas: responsible consumption, encouraging conservation initiatives, and impending climate change.

2023

Al Nalia

- The Al Nalia application for smartphones provides access to Abu Dhabi's maritime safety maps, to enhance the safety of marine navigation in the Emirate and ensures the efficiency and ease of use of waterways in Abu Dhabi.

2023

COP28

- The UAE hosted the 28th United Nations Climate Change Conference, or COP28. The COP28 aimed to provide a milestone opportunity for the world to come together, course correct, and drive progress to keep 1.5°C within reach.

2024

Extension of the Year of Sustainability

- During the National Environment Day, the UAE President announced the extension of the Year of Sustainability into 2024, emphasising the nation's dedication to fostering a sustainable and prosperous future.

COP28 Outcomes

At COP28, hosted by the UAE, a new course for climate action was charted. The conference introduced the first Global Stocktake and prioritised inclusivity. COP28 emerged as a collective effort to steer the world towards a clear trajectory to limit the global temperature rise to 1.5°C, safeguarding those impacted by climate change and ensuring no one is left behind. Post the two-week conference, the UAE Consensus was delivered embodying the global community's commitment to a sustainable future.[4]

The COP28 Action Agenda centred on expediting a just and orderly energy transition, climate finance, prioritising people, nature, lives, and livelihoods, and promoting inclusivity.

COP28 witnessed the maritime industry's commitment to sustainability. The maritime industry played a pivotal role during COP28, collaborating to find pathways forward, fostering partnerships, and ensuring investment security. The 'Green Shipping Challenge' exemplifies the industry's collective dedication, with over 60 major announcements addressing green shipping corridors, new emission fuels and technologies, training frameworks for seafarers, and supporting the implementation of the IMO GHG Strategy.[5]

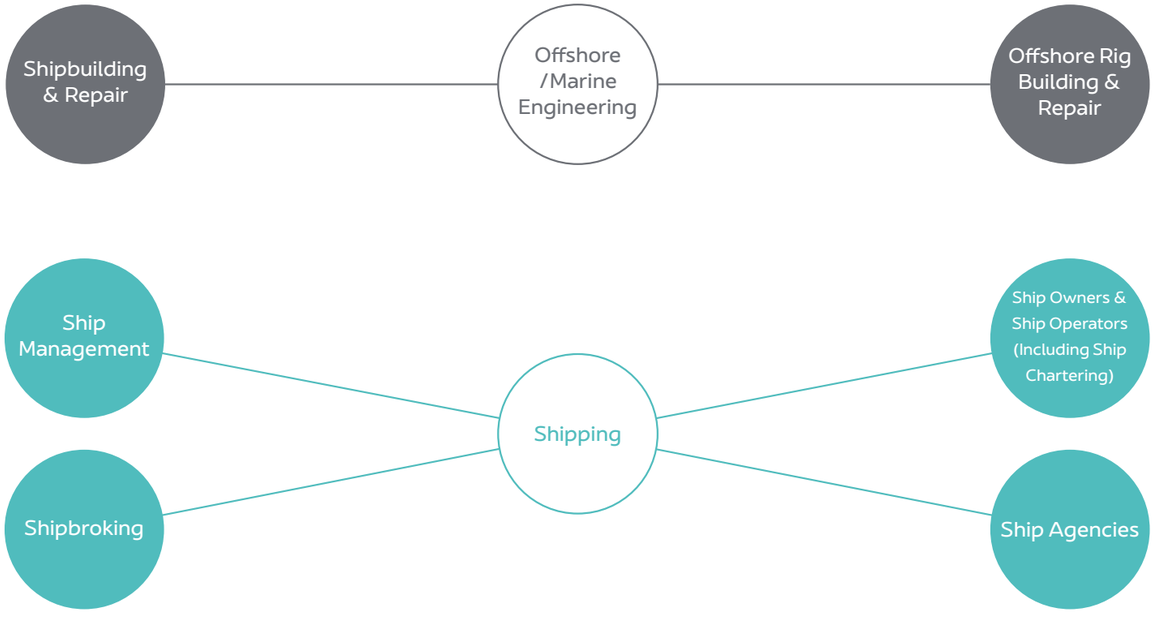
[4] COP28 UAE
[5] Effects of COP28 on the shipping industry

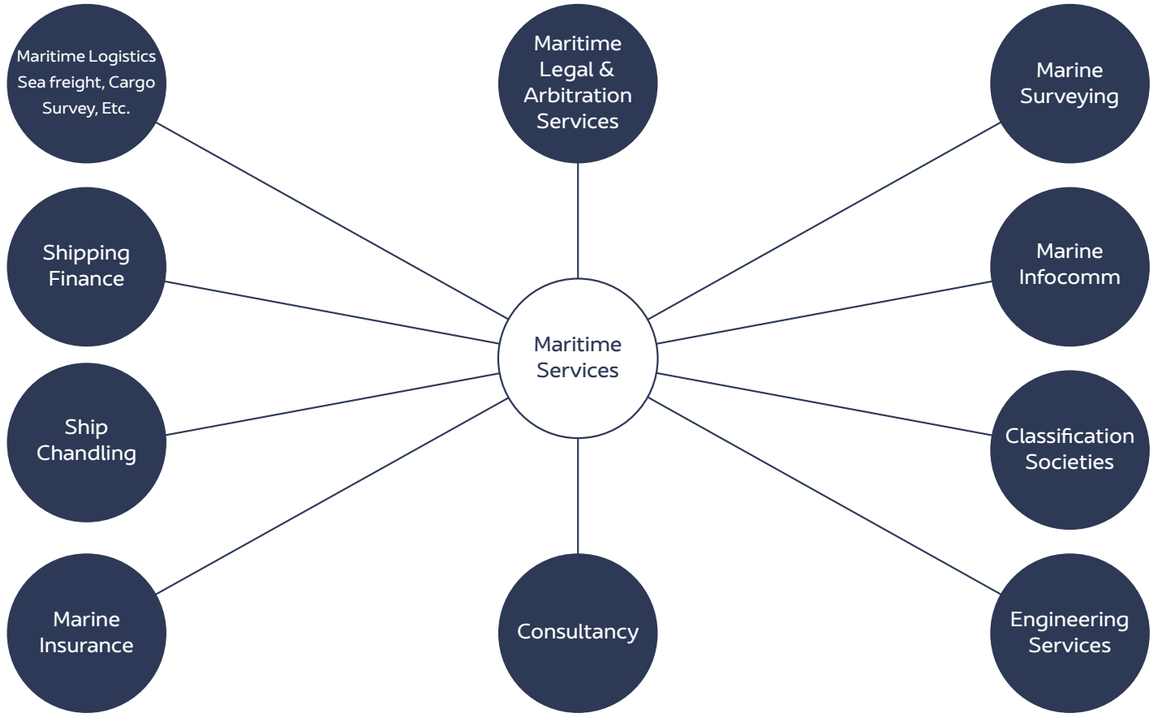
Chapter 2

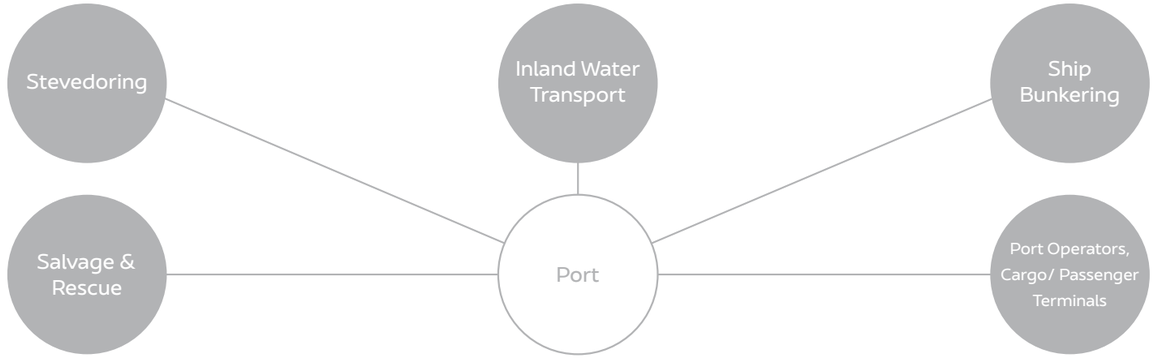
Empowering a Sustainable Maritime Sector

Overview of Abu Dhabi's Maritime Sector

Positioned strategically along the global shipping routes, Abu Dhabi has evolved into a vibrant hub for the maritime industry. The sector boasts some of the busiest and most advanced ports in the world. Located at the crossroads of East-West shipping routes, the ports attract different stakeholder groups and fosters a dynamic and pro-business environment. The growth not only enhances the maritime sector but also contributes to the development of interconnected ecosystems within Abu Dhabi's expanding maritime community.







Key Approximate Statistics on Abu Dhabi's Maritime Sector

- Covers an area of 45,000 sq. km of waterbody and a coastline length of 2,400km approximately.
- More than 90% of the total trade in the emirate is facilitated by the sea.
- Over 1,800 companies form a part of Abu Dhabi's Maritime community.
- Over 100 marine facilities, 52 channels, and 23 ports form a part of Abu Dhabi's Maritime assets.
- Economic activity in the maritime domain of Abu Dhabi has potential for around AED 607 billion, with the non-market value further estimated at AED 420 billion.*
- More than AED 9 billion CAPEX projects in the next five years under DMT livability strategy initiatives.

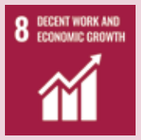
*(AECOM, socio economic analysis, 2015, Study for plan maritime 2030)

Commitment to the Global Goals

The UN SDGs or SDGs are a set of 17 goals that serve as a universal call to action to end poverty, protect the planet, and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development.

The maritime sector plays an important role in global sustainability as one of the key stakeholders, demonstrating the intricate connection to the SDGs. This connection is multifaceted due to its support of world trade and its capacity to drive economic development and social progress. This broad influence underscores the need for collaborative efforts within the sector to align practices and policies with the diverse objectives outlined in the SDGs, ultimately contributing to a more resilient and sustainable future for our planet.

The maritime sector directly and indirectly contributes to the development of all 17 SDGs, however, highlighted below are some key instances to indicate the sector's contribution towards the attainment of these global goals:



SDG 8: Decent Work and Economic Growth

Fostering employment and economic development through shipping and, port operations, and other related activities.

SDG 13: Climate Action

Addressing environmental concerns related to the maritime industry as shipping emissions and sustainable practices are pivotal in mitigating climate change's impact on marine ecosystems.

SDG 14: Life Below Water

Emphasising the need to conserve and sustainable use the oceans, seas, and marine resources.

Regulatory Trends in the Maritime Sector

International Marine Organization (IMO)

As the United Nations specialised agency, IMO is actively working towards the 2030 Agenda for Sustainable Development. The support of the maritime sector to achieve the SDGs is crucial with specific relevance to addressing challenges such as marine pollution, GHG emissions from ships, and ocean acidification.

Besides its support of the SDGs, IMO is the global standard-setting authority for the safety, security, and environmental performance of international shipping. Its main role is to create a regulatory framework for the shipping industry that is fair and effective, universally adopted and universally implemented.

MARPOL

The International Convention for the Prevention of Pollution from Ships, commonly known as MARPOL, is a key international treaty designed to prevent marine pollution by ships.

MARPOL is administered by IMO, and its six annexes address different aspects of ship-generated pollution, outlining measures and requirements to safeguard the marine environment and ensure sustainable maritime practices on a global scale.

Plan Maritime

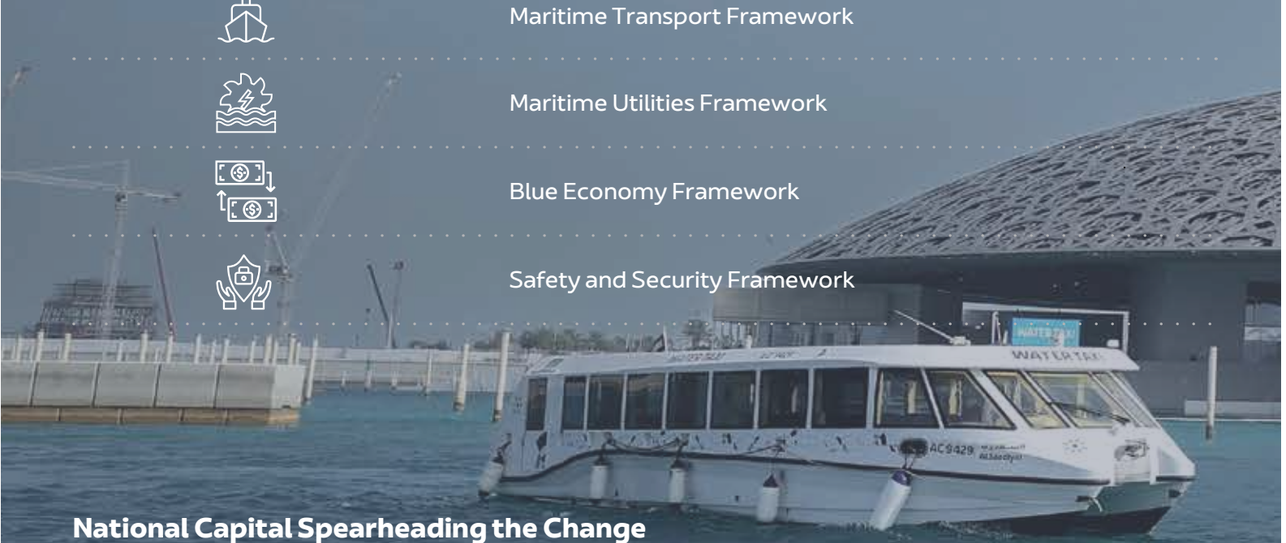
Plan Maritime is a coastal and maritime framework document providing strategic planning guidance and direction for the Emirate of Abu Dhabi.

Vision

The Abu Dhabi Government endorsed the vision of the Maritime Strategy in the Emirate of Abu Dhabi for: 'A safe, secure and sustainable maritime domain for Abu Dhabi'. Maritime Plan supports this vision statement.

Plan Maritime consists of several frameworks for dealing with the main challenges facing the coastal and marine areas in the Emirate of Abu Dhabi. This is achieved through identifying the objectives, policies, and administrative procedures for each of the following frameworks, in addition to an implementation plan.

- Climate Change Adaptation Framework
- Coastal and Marine Natural Resources Framework
- Marine Water Quality Framework
- Cultural Heritage Framework
- Recreation and Tourism Framework
- Access and Landscapes Framework
- Maritime Transport Framework
- Maritime Utilities Framework
- Blue Economy Framework
- Safety and Security Framework



National Capital Spearheading the Change

The maritime sector is a key pillar of the UAE national economy, demonstrating remarkable results across various performance indicators, aligned with the UAE's commitment to achieving net zero emissions by 2050 and the IMO targets. Abu Dhabi’s Maritime Sector can persist in actively supporting the international climate change agenda and also aid in the local efforts to reduce national emissions in accordance with the net zero targets.

The Launch of Maritime Hub Abu Dhabi

Abu Dhabi Maritime, in collaboration with the Integrated Transport Centre – Department of Municipality and Transport (DMT), launched **Maritime Hub Abu Dhabi**, a platform aimed at fostering collaboration between public and private stakeholders to enhance the maritime sector.

The Maritime Hub was formed following extensive research and benchmarking against other leading maritime cities such as Singapore and France. Founded on three core strategic pillars - Connect, Create, and Collaborate, the Hub aims to harness collective synergies through cooperation across public and private sectors, thus bolstering growth across the entire maritime ecosystem.

A committee composed of representatives from various segments of both the public and private maritime sectors will lead working groups, contributing innovative ideas, addressing challenges, and guiding collaborative efforts to promote industry growth and development.

The Hub will also play a role in facilitating the maritime industry’s sustainability, by offering awareness, guidance, and familiarisation on the pathway to decarbonisation, promoting best practices, and the development of eco-friendly solutions to assist businesses in reducing their carbon footprint.

By forging essential links with global and domestic stakeholders, policymakers, and media, the Maritime Hub intends to elevate Abu Dhabi’s Maritime Sector, enhancing exposure, and augmenting its economic impact, while promoting collaboration and knowledge exchange for the benefit of all.

Chapter 3

ESG Framework for Abu Dhabi's Maritime Sector

Stakeholder Engagement and Materiality Assessment

A comprehensive stakeholder engagement was conducted for Abu Dhabi's Maritime Sector to gauge the importance of various topics that are material to the sector.

Abu Dhabi Maritime initiated the engagement through dedicated workshops for internal and external stakeholders to gather their valuable insights on the impacts of each topic identified in alignment with the GRI 2021 materiality assessment process. The feedback was collated to arrive at the material topics list for Abu Dhabi's Maritime Sector.

Among internal stakeholders, senior management and employees from the following departments of Abu Dhabi Maritime were engaged:

Maritime Transport	Infrastructure
Marketing and Communications	Client Experience
Licensing and Inspection	Waterways and infrastructure management
Strategy and Regulation	Maritime Operations

Similarly, while engaging with external stakeholders, representatives from the following entities participated:

- Environment Agency – Abu Dhabi
- Department of Municipalities and Transport
- Department of Economic Development
- Industrial Development Bureau
- Integrated Transport Centre
- A D Ports Group

The list of topics identified is as follows:

Environment

- Climate Change
- Waste
- Water & Effluents

Social

Employee Health Safety & Hygiene

Governance

- Risk Management
- Business Ethics & Governance

ESG Strategic Framework Assessment

Following the stakeholder engagement and materiality assessment workshop, the insights and outcomes derived have led to the development of the ESG strategic framework for Abu Dhabi's Maritime sector. Therefore, the ESG framework has emerged as a response to the need for a holistic framework for Abu Dhabi's Maritime Sector, and it was cultivated through extensive consultations and a collaborative effort. The ESG strategic framework has been put into place to catalyse the adoption of ESG practices within the sector in alignment with the needs of stakeholders, regulatory requirements, industry standards, and global and national ESG agendas.

The ESG strategic framework will be instrumental in identifying and streamlining ESG best practices tailored to Abu Dhabi's Maritime Sector. The ESG framework consists of three core pillars critical to the successful integration of ESG across the sector and supports national and international mandates, ensuring it is firmly rooted in globally recognised best practices and aligned with regional sustainability initiatives:

Supported by national mandates:

- ADX
- البحرية Maritime
- Abu Dhabi رؤية 2030 Vision — UAE Net Zero 2050
- نحن الإمارات WE THE UAE 2031 — UAE Energy Strategy 2050
- وزارة الطاقة والبنية التحتية MINISTRY OF ENERGY & INFRASTRUCTURE — National Climate Change Plan of the UAE 2017-2050
- UAE Circular Economy Policy
- وزارة التغير المناخي والبيئة MINISTRY OF CLIMATE CHANGE & ENVIRONMENT
- اوشاد oshad

Abu Dhabi's Maritime Sector ESG Framework

Purpose

To promote environmentally responsible practices and decision-making processes as well as safeguard the health and safety of the people engaged in the maritime sector.

Objectives

- Minimise pollution in the maritime sector and protect the marine ecosystem by promoting sustainable practices.
- Ensure fair labour practices and prioritise the well-being and safety of maritime workers.
- Establish transparent and fair governance structures that encourage responsible decision-making in the maritime sector.
- Foster long-term economic growth by attracting investments and educating stakeholders of the maritime sector.

Vision

To create a thriving and sustainable maritime sector that harmoniously balances conservation, safety, and responsible business practices, thus ensuring a prosperous future for stakeholders and the planet.

ESG pillars

Environmental Stewardship

Climate change
- Energy optimisation and management
- GHG emissions
- Air quality

Waste
- Waste management
- Ship recycling
- Circular economy

Water and effluents

Social Responsibility

Employee health, safety and hygiene
- Occupational health and safety

Responsible Business Practices

Risk management
- Critical incident risk management

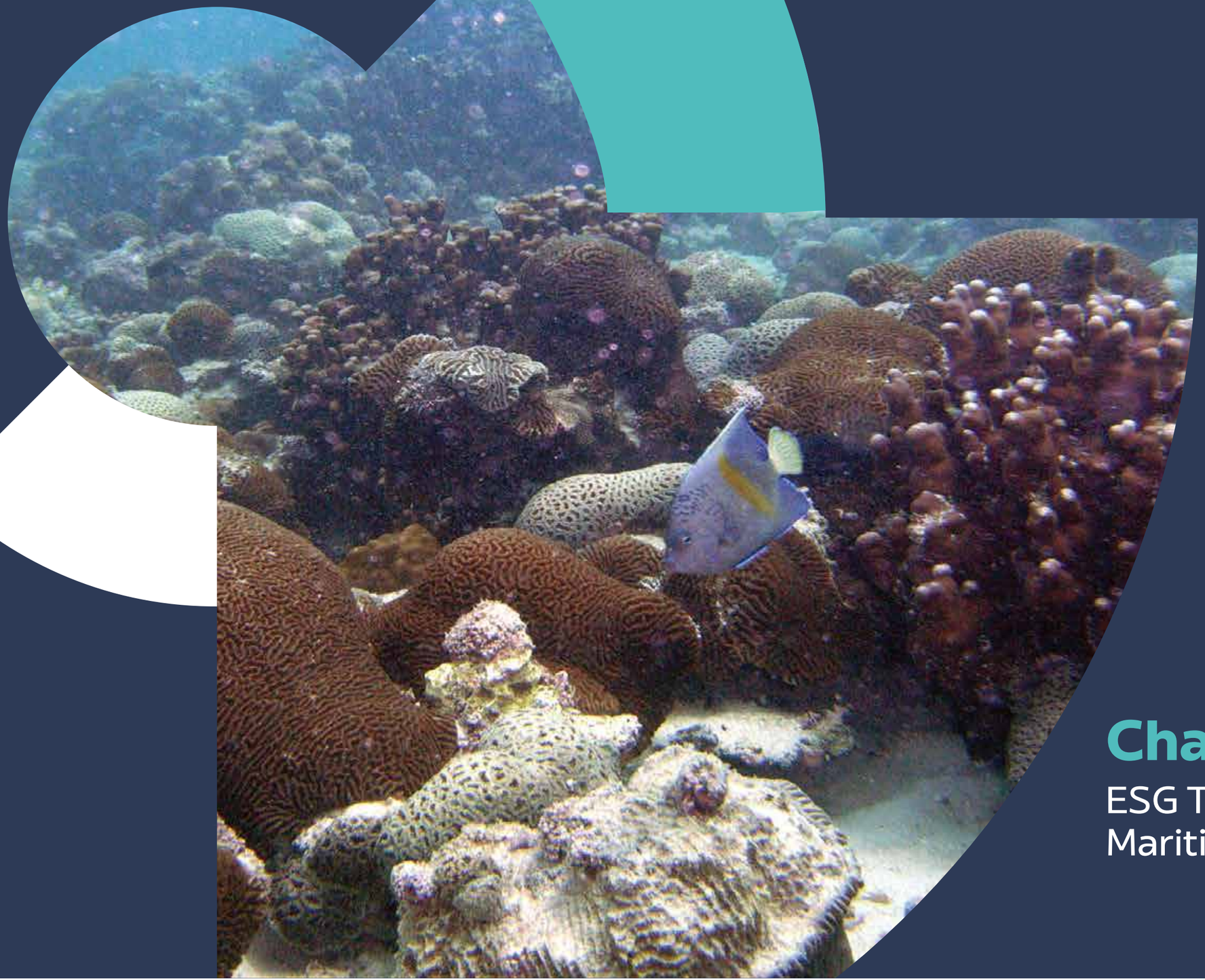
Business ethics and governance
- Corporate governance
- Anti-corruption
- Anti-competitive behaviour

Enablers

- Capacity development
- Risk management integration

Supported by International mandates:

- TCFD TASKFORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES
- GRI
- SASB STANDARDS Now part of IFRS Foundation
- IMO
- SUSTAINABLE DEVELOPMENT GOALS



Chapter 4

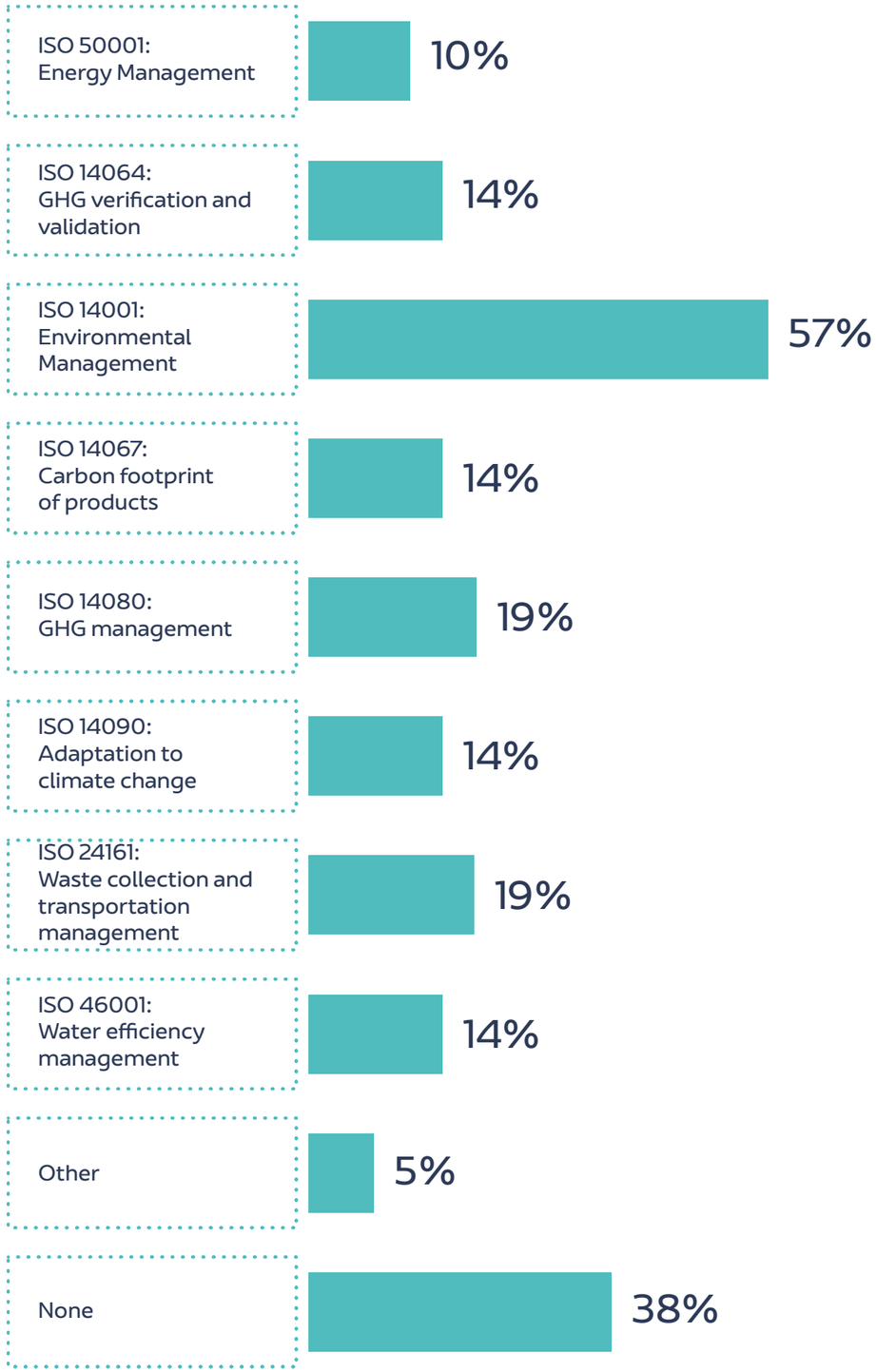
ESG Trends in Abu Dhabi's Maritime Sector [67]

Environmental Stewardship

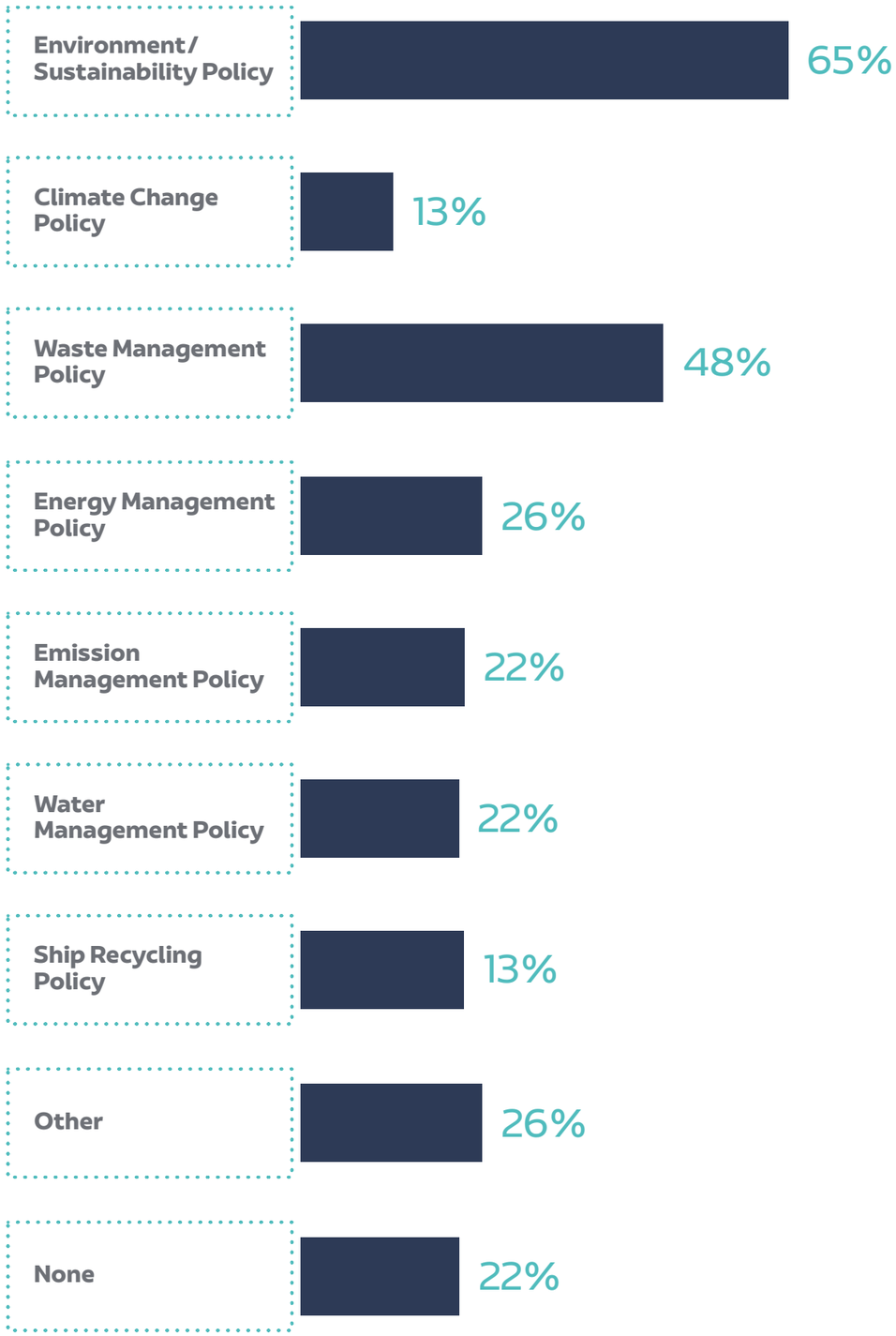
Environmental stewardship is core to the essence of ESG and stands as one of three pillars of the ESG Framework for Abu Dhabi's Maritime Sector. This chapter highlights the key summary of the sector's environmental performance.

[6] The assumptions and limitations associated with the data presented in the chapter are highlighted in the appendix.
[7] The percentages presented pie charts may sum to more than 100% due to the possibility of entities falling into multiple categories simultaneously. Therefore, the total percentage can exceed 100% as each entity can contribute to multiple segments of the chart, representing various categories.

Control Mechanisms Adopted by Entities in the Maritime Sector



Policies Related to Environmental Performance Adopted by the Maritime Sector in 2022



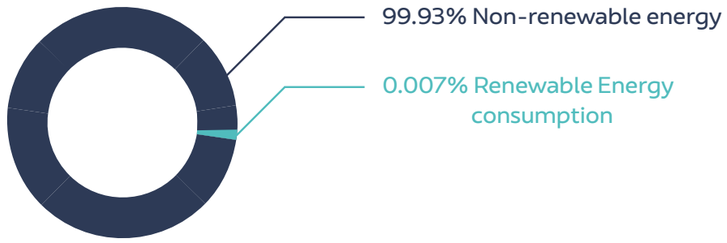
Energy and Emissions

The sector is heavily reliant on non-renewable sources of energy. However, over 70% of entities have established targets related to energy management while 45% have set targets associated with emission reduction.

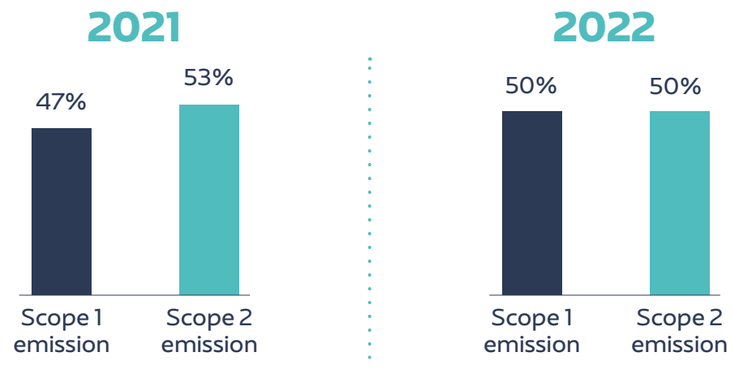
A recent uptake of solar energy for decentralised power is on the rise, as companies have introduced initiatives such as powering lights on the dock using solar energy and using solar water heaters.

The replacement of halogen lights with LEDs and replaced petrol-based fleets with electric vehicles are some initiatives undertaken by companies to reduce emissions.

Energy Consumption in 2022



Scope 1 and Scope 2 GHG Emissions



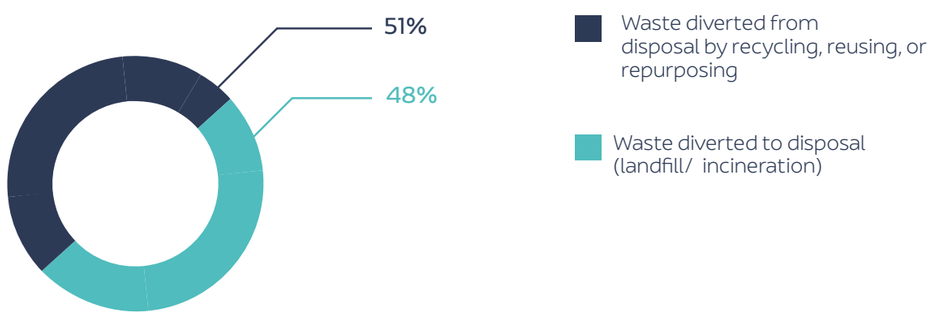
The monitoring of Scope 3 emissions is still not prevalent among the companies in the Abu Dhabi's Maritime sector.

Waste Management

About 65% of companies in the sector have established targets associated with waste reduction.

The companies have increasingly reported that they have eliminated the use of single-use plastic on-site and encouraged the recycling of bottled water.

Treatment of Waste Generated (Tonnes) in 2022



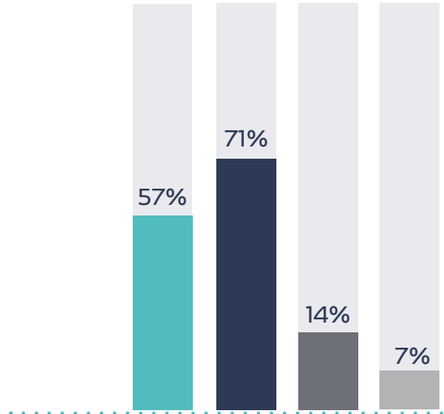
Water Management

- Over 60% of companies have established targets to address water-related operations.
- Between 2022 and 2021, the sector saw an 18% decline in water withdrawal.
- Many companies have reported an increase in the number of inspections to assess water leakages within offices, worker accommodations, and ships. If leaks are detected, measures are quickly implemented to address the leaks.

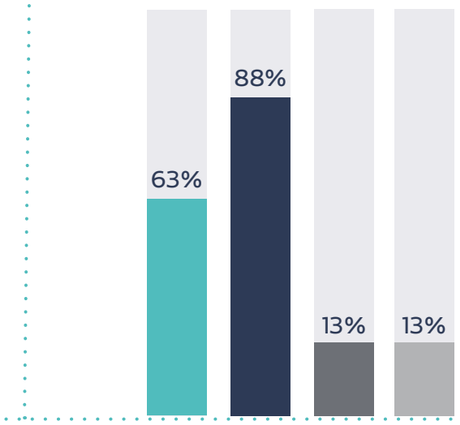
Social Responsibility

Social responsibility is of paramount importance to foster a culture of health and safety. By implementing health and safety standards, coupled with safety awareness training programmes, the health and safety of the workforce can be ensured. This chapter covers the key insights for the sector's social performance.

Policies Implemented to Govern Social Topics in 2021



Policies Implemented to Govern Social Topics in 2022



Health and Safety Policy
Safety Training and Awareness Policy
None
Other

Health and Safety

87%

of the companies in the sector have established health and safety targets.

Policies on health and safety are the most prominent within the sector, with

88%

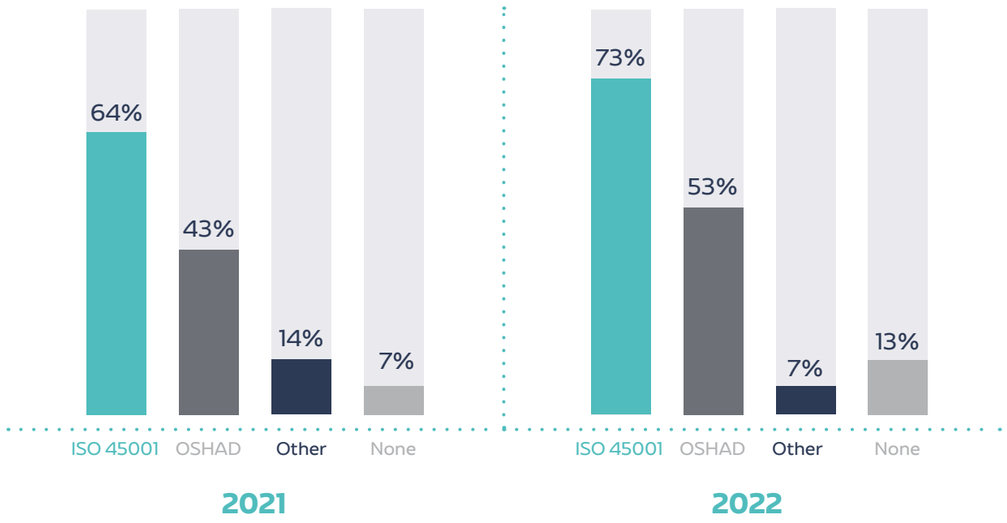
of companies having an established policy.

ISO 45001: 2018 Occupational Health and Safety Management Systems is the most implemented management system in the sector with about

73%

of companies being certified with it in 2022.

Health and Safety Management Systems Implemented



Safety and Awareness Training Programmes

- About 73% of companies in the maritime sector have set targets for safety training and awareness.
- Daily toolbox talks, circulation of Health, Safety and Environment (HSE) bulletins, and comprehensive training programmes serve Abu Dhabi's Maritime Sector as essential channels for disseminating safety information.
- Some maritime companies conduct health surveillance and risk assessments to contribute towards proactive health and safety management.

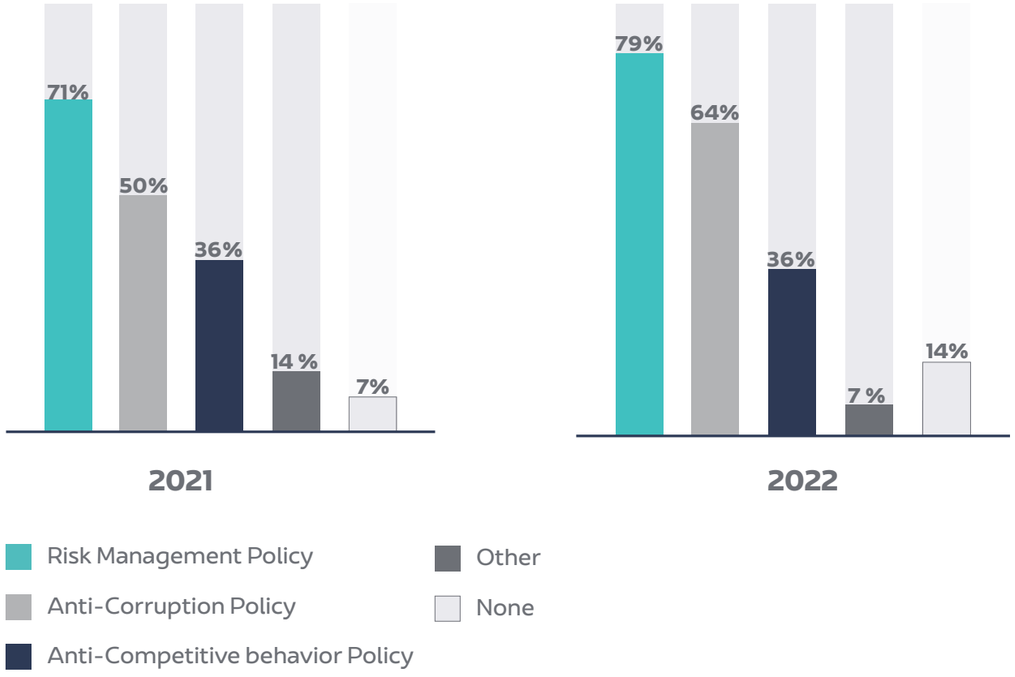
Companies that have Implemented Programmes to Enhance Health and Safety Trainings

Responsible Business Practice

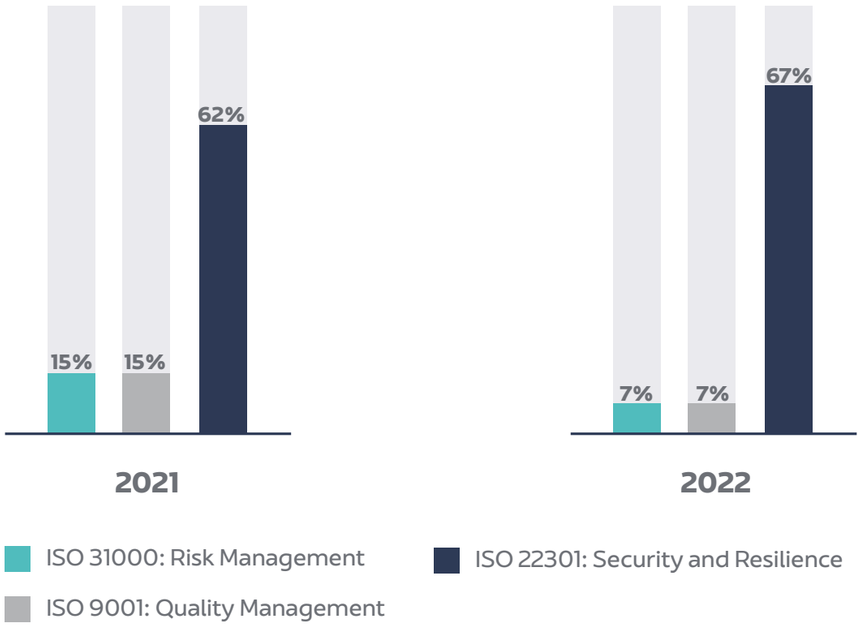
Abu Dhabi's Maritime sector places a strong emphasis on upholding business ethics, robust risk management strategies, and transparent corporate governance. The sector is committed to conducting its operations with integrity and fairness, adhering to the ethical standards that foster trust among stakeholders.

This chapter summarises how the sector maintains a sustainable and resilient business that aligns with global best practices.

Policies for Responsible Business Practices



Control Mechanisms in Place to Manage the Topics of Responsible Business Practices



Business Ethics

21%

of the companies have provided anti-corruption training to their entire workforce.

There has been a

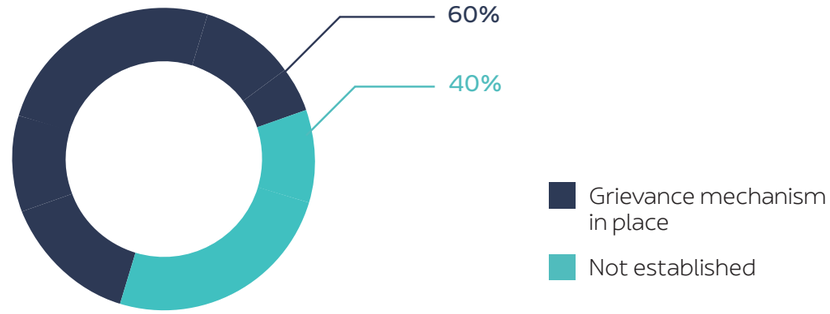
14%

increase in the number of companies that have an anti-corruption policy between 2021 and 2022.

36%

of maritime companies have reported that employees received training on anti-corruption practices, policies, and procedures in 2022.

Grievance Reporting and Redressal Mechanism System in 2022



Risk Management

73% of companies have established dedicated risk management committees that manage and oversee ESG risks within their organisations.

Among the committees established, 67% maintain ESG risk registers to ensure a proactive and comprehensive approach to ESG risk management.

Corporate Governance

In 2022, the sector reported a

23%

representation of females on its Boards. This promotes the sector's commitment to gender diversity and the promotion of equitable decision-making within the companies.

Between 2021 and 2022, there has been a

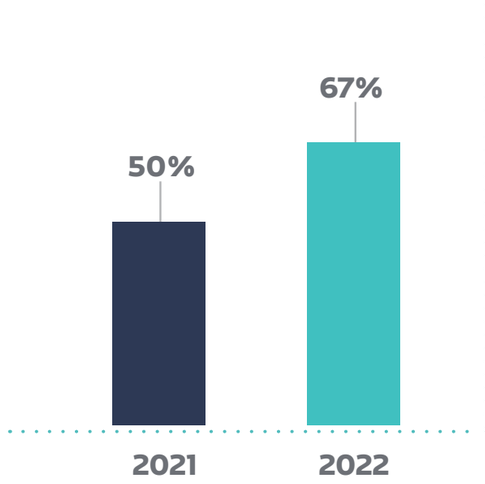
17%

increase in companies providing incentives to their executives linked with their ESG objectives and Key Performing Indicators (KPIs).

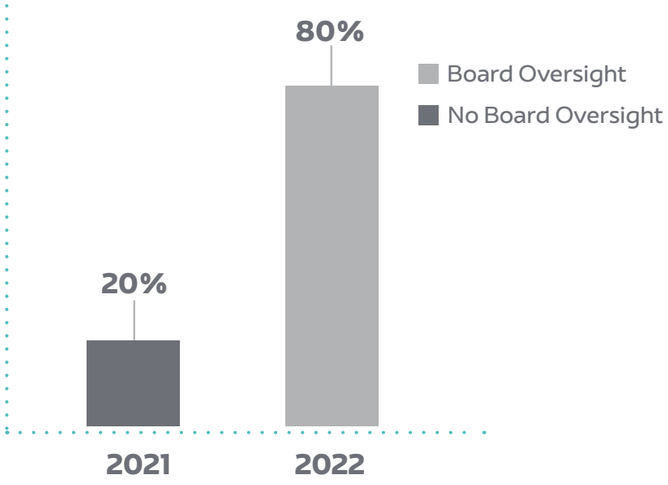
80%

of the companies have confirmed their Board oversight on ESG related matters.

Incentives Offered to Executives

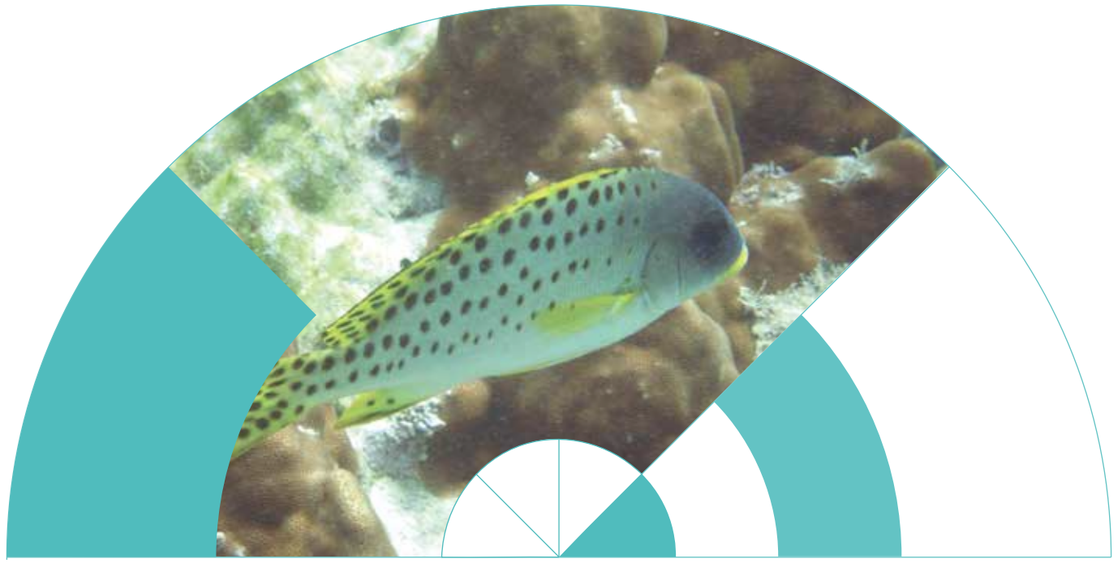


Board Oversight of ESG



Chapter 5

Sustainability Reporting Journey for the Maritime Sector



Key Elements to Develop a Sustainability Report

Following a systematic sustainability reporting process, helps companies improve the quality of the sustainability information covered, respond to stakeholders' expectations, and release engaging and timely reports.

01 Planning the report development

a. Develop a reporting project plan

b. Define the reporting boundary

c. Determine the report theme and key message to be communicated through the report

d. Draft the report outline

02 Stakeholder engagement and materiality analysis

a. Identify key stakeholders (internal and external)

b. Gather feedback on material issues

c. Seek senior management validation

d. Determine material topics

03 Data collection

a. Develop a data collection template to collect qualitative and quantitative data on the material topics

b. Distribute the templates with the data owners

c. Collect and assess the data received

04 Content development

a. Draft content based on the data collected

b. Ensure content aligns with the theme and reporting standard requirements such as GRI, SASB, ADX, etc.

05 Optional: Third-party assurance of the report

a. Once the content is developed, engage with an independent third-party to review and verify the data reported

b. Receive an assurance statement from the assurance provider and include it within the report

06 Data collection

a.Identify the audience and how to reach them

b. Select communication platforms such as press releases, social media posts, email campaigns, etc.

c. Promote high-priority topics to ensure key audiences are drawn to the content that matters most

d. A promotional video can also be prepared as it is likely to get better coverage and viewing rates

07 Gather feedback

a. Proactively seek feedback from key stakeholders

b. Analyse feedback received

c. Integrate feedback in the next reporting cycle and address stakeholder expectations

Value for Companies to Report on their Sustainability Performance

Internal Benefits	External Benefits
Vision and Strategy: Reporting on sustainability performance helps in aligning the company's vision and strategy, fostering a clear direction and purpose.	**Reputation and Trust:** Transparent reporting enhances the reputation and trustworthiness of companies, building positive relationships with stakeholders.
Employee Loyalty: Demonstrating commitment to sustainability enhances employee morale and loyalty, contributing to a positive workplace culture.	**Benchmarking:** Sustainability reports provide a basis for benchmarking against industry peers, showcasing comparative performance, and driving industry-wide improvements.
Management Systems: Sustainability reporting supports robust management systems, enabling companies to identify, monitor, and improve their ESG performance.	**Attracting Capital:** Investors increasingly prioritise sustainable practices; hence, reporting on sustainability performance attracts capital by demonstrating long-term viability and responsibility.
Executive Awareness: Reporting fosters awareness among executives about the impact of business operations, driving informed decision-making.	**Competitive Advantage:** Companies with strong sustainability performance gain a competitive edge, appealing to stakeholders to ESG-driven businesses.
Strengths and Weaknesses: Through reporting, companies can identify strengths to leverage and weaknesses to address, facilitating continuous improvement in sustainability practices.	**Stakeholder Engagement:** Reporting engages stakeholders by providing transparent insights into an company's ESG impact, fostering trust and open communication.
Connects Departments: Sustainability reporting encourages collaboration and communication across departments, breaking down silos and fostering a holistic approach to sustainability.	**Risk Reduction:** By addressing and reporting on sustainability risks, companies enhance resilience, mitigate potential issues, and protect against reputational and financial risks in the long term.

KPIs for the Maritime Sector

Based on the material topics and focus areas of the ESG framework, KPIs have been formulated in accordance with globally acceptable reporting requirements standards such as the Global Reporting Initiative (GRI) and SDGs as well as reporting specified by ADX. This report covers KPIs that are deemed material and relevant to the sector. The list of KPIs highlighted in the report covers overs a wider and more specific range of KPIs, which companies in the sector are encouraged to report on going forward.

In line with the KPIs highlighted, data collection sheets have also been prepared to assist the reporting journey of companies in the maritime sector. These sheets shall be shared with companies on an annual basis.

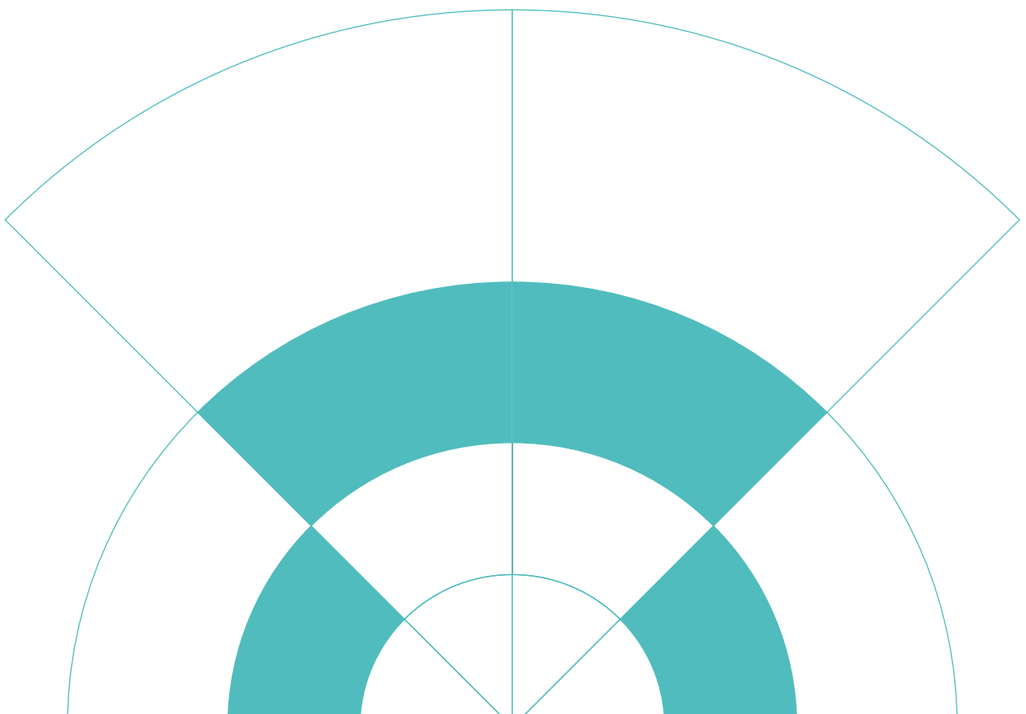
Environmental KPIs

Covered within the current report

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Climate Change	Energy optimisation and management	Policies on energy management	Qualitative	GRI 302: Energy 2016	E7. Environmental Operations	- SDG 7.2,7.3 - SDG 8.4 - SDG 12.2 - SDG 13.1
		Targets on energy	Qualitative			
		Control mechanisms to manage energy (ISO certifications	Qualitative			
		Energy saving initiatives	Qualitative			
		Renewable energy consumption within the organisation	Quantitative		E3. Energy Usage	
		Non-renewable energy consumption within the organisation	Quantitative		E3. Energy Usage	
		Total energy consumption within the organisation	Quantitative		E3. Energy Usage	
Climate Change	GHG emissions	Policies on emission management	Qualitative	GRI 305: Emissions 2016	E7. Environmental Operations	- SDG 3.9 - SDG 12.4 - SDG 13.1 - SDG 14.3 - SDG 15.2
		Targets on emissions	Qualitative			
		Control mechanisms to manage emissions (ISO certifications	Qualitative			

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Climate Change	GHG emissions	Emission tracking process and methodology	Qualitative			
		Emission saving initiatives	Qualitative			
		Gross direct (Scope 1) GHG emissions	Quantitative		E1: GHG Emissions	
		Gross location-based energy indirect (Scope 2) GHG emissions	Quantitative		E1: GHG Emissions	
		Gross other indirect (Scope 3) GHG emissions	Quantitative		E1: GHG Emissions	
Climate Change	Air quality	Emissions of Ozone Depleting Substances (ODS)	Quantitative	GRI 305: Emissions 2016		- SDG 3.9 - SDG 12.4 - SDG 13.1 - SDG 14.3 - SDG 15.2
		Nitrogen oxides (NOX), Sulphur oxides (SOX), and other significant air emissions	Quantitative			
Waste	Waste management	Policies on waste management	Qualitative	GRI 306: Waste 2020	E7. Environmental Operations	- SDG 3.9 - SDG 6.3, 6.6 - SDG 8.4 - SDG 11.6 - SDG 12.4
		Targets on waste management	Qualitative			
Waste	Waste management	Control mechanisms to manage waste (ISO certifications)	Qualitative			12.5 - SDG 15.1
		Waste reduction initiatives	Qualitative			
		Total waste generated	Quantitative			
		Total waste diverted from disposal (by recycling/ reusing/ repurposing)	Quantitative			
		Total weight of waste directed to landfills (by sending it to landfills/ incinerators)	Quantitative			
Waste	Ship recycling	Total number of ships recycled	Quantitative			- SDG 3.9 - SDG 6.3, 6.6 - SDG 8.4 - SDG 11.6 - SDG 12.4, 12.5 - SDG 15.1
		Total material recovered from ship recycling	Quantitative			
Water and Effluents	Water and effluents	Policies on water management	Qualitative	GRI 303: Water and Effluents 2018	E7. Environmental Operations	- SDG 6.3, 6.4, 6.a, 6.b - SDG 12.4
		Targets on water management	Qualitative			

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Water and Effluents	Water and effluents	Control mechanisms to manage water (ISO certifications)	Qualitative			
		Water conservation initiatives	Qualitative			
		Water withdrawal	Qualitative		E6. Water Usage	
		Water discharge	Quantitative		E6. Water Usage	
		Water consumption	Quantitative		E6. Water Usage	



Social KPIs

Covered within the current report

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Employee Health Safety and Hygiene	Occupational health and safety	Policies on health and safety	Qualitative	GRI 403: Occupational Health and Safety 2018	S8. Global Health and Safety	- SDG 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9 - SDG 8.8 - SDG 16.1
		Targets on health and safety	Qualitative			
		Control mechanisms to manage health and safety (ISO certifications)	Qualitative			
		Occupational health and safety management system	Qualitative			
		Hazard identification, risk assessment, and incident investigation	Qualitative			
		Total recordable injuries (RI)	Quantitative		S7. Injury rate	
		Total Loss Time Injuries (LTI)	Quantitative		S7. Injury rate	
		Total number of fatalities as a result of work-related injury	Quantitative		S7. Injury rate	
		Total number of fatalities as a result of work-related ill-health	Quantitative		S7. Injury rate	

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Employee Health Safety and Hygiene	Occupational health and safety	Type of work-related hazards that have resulted in fatalities	Qualitative			
		Frequency of injury events relative to total workforce time	Qualitative			
Employee Health Safety and Hygiene	Safety training and awareness	Policies on safety training and awareness	Qualitative	GRI 403: Occupational Health and Safety 2018 GRI 404: Training and Education 2016	S8. Global Health and Safety	- SDG 4.3, 4.4, 4.5 - SDG 5.1, - SDG 8.2, 8.5 - SDG 10.3
		Targets on safety training and awareness	Qualitative			
		Total number of programmes implemented and provided to increase safety training and awareness	Quantitative			
		Actions taken or types of programmes implemented to eliminate and minimise risks associated with work-related hazards	Qualitative			
		Average hours of safety training per year per employee	Quantitative			

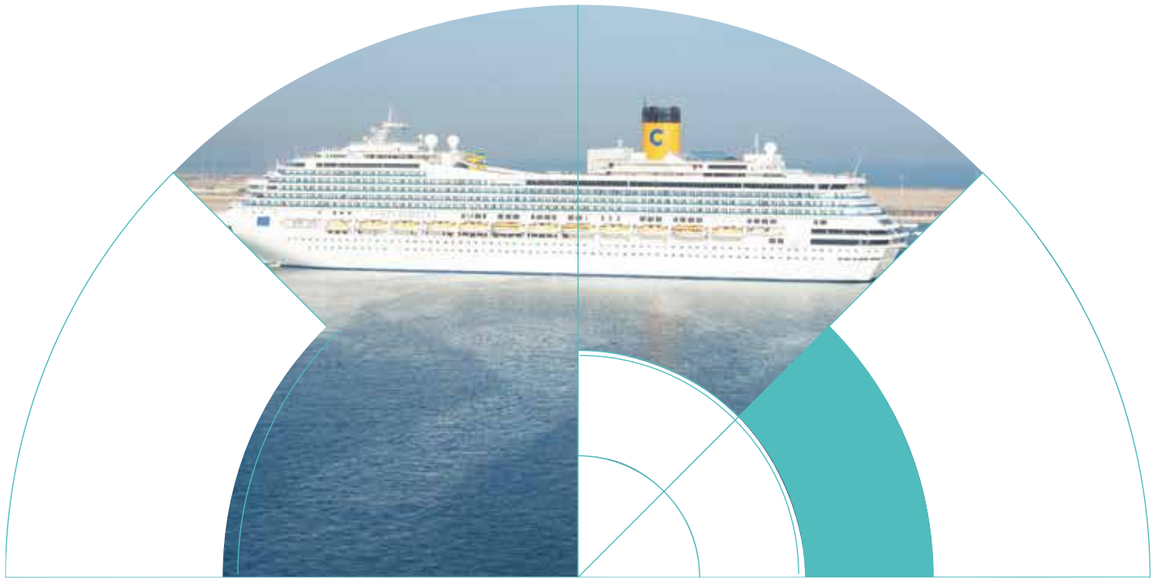
Governance KPIs

Covered within the current report

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
Risk Management	Critical incident risk management	Policies on risk management	Qualitative			
		Risk management process	Qualitative			
		Identified cases of critical incident risk	Quantitative			
		Control mechanisms to manage risks (ISO certifications)	Qualitative			
		Management of ESG risks by the Risk Management Committee	Qualitative			
		Maintaining a risk register for ESG Risks	Qualitative			
Business Ethics and Governance	Anti-corruption	Policies on anti-corruption	Qualitative	GRI 205: Anti-corruption 2016	G5. Ethics and Prevention of Corruption	- SDG 16.5
		Control mechanisms to manage corruption (ISO certifications)	Qualitative			
		Grievance Platform for reporting incidents of corruption	Qualitative			

Material Topic	Focus Area	KPI (metrics)	Data Type (Qualitative/ Quantitative)	GRI Reference	ADX Reference	SDG #
		Confirmed incidents of corruption and actions taken	Qualitative and Quantitative			
		Percentage of employees provided training on anti-corruption practices, policies, and procedures	Quantitative		G5. Ethics and Prevention of Corruption	
Business Ethics and Governance	Anti-Competitive behaviour	Policies on anti-competitive behaviour	Qualitative	GRI 206: Anti-competitive Behaviour		- SDG 16.3
		Control mechanisms to manage anti-competitive behaviour (ISO certifications)	Qualitative			
		Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices)	Qualitative and Quantitative			
Business Ethics and Governance	Corporate governance	Board diversity	Quantitative	GRI 2: General Disclosures 2021	G1. Board Diversity	- SDG 5.5 - SDG 10.3 - SDG 16.6
		Board independence	Quantitative		G2. Board Independence	
		Incentives offered to executives on sustainability performance	Qualitative		G3. Incentivized Pay	
		Governance structure and composition	Qualitative			
		Nomination and selection of the highest governance body	Qualitative			
		Board over-sight on ESG issues	Qualitative		E8 and E9. Environmental Oversight	
		Climate Risk Mitigation	Quantitative		E10. Climate Risk Mitigation	
		Sustainability Reporting	Qualitative		G7. Sustainability Reporting	

Chapter 6
Looking Ahead



Looking Ahead

As Abu Dhabi's Maritime Sector embarks on the journey to enhance its resilience, it remains committed to aligning with the national and international objectives along with the visionary Plan Maritime 2030 framework.
The forward-looking ESG framework encompasses a comprehensive approach to elevate the performance of the sector and integrate sustainability practices within the ethos of the Maritime Sector.

Recognising the growing importance of sustainable finance, the sector actively seeks collaboration with stakeholders to innovate and implement financial strategies that not only ensure economic growth but also prioritise environmental and social considerations.
With this emphasis on sustainable finance along with collaboration with our stakeholders, innovation, and a commitment to sustainability, the sector serves to be a beacon of responsible maritime practices, contributing to the prosperity of the UAE and the well-being of future generations.

Abu Dhabi Maritime is supporting the maritime ecosystem to pivot its members towards sustainable enterprise and circular economy, while aligning with the well-being of both people and the planet.
Various initiatives are being implemented to support SMEs in Abu Dhabi in their transformation towards being sustainable.

To Abu Dhabi's Maritime Sector, sustainability is “thriving with perpetuity”.

Appendix

Assumptions and Limitations

The data presented within the Chapter “ESG Trends in Abu Dhabi’s Maritime Sector” was compiled by gathering stakeholder data through an ESG questionnaire. The responses received from each stakeholder were consolidated to present the overall sector’s ESG performance. The data presented, however, acknowledges certain assumptions and limitations which are stated below:

Assumptions

- All data provided by the respondents is assumed to pertain exclusively to the company's activities within Abu Dhabi's Maritime Sector.
- All data provided falls within the reporting boundary of the company.
- Data provided by the respondents is factual and accurate.

Limitations

- All data has been consolidated exactly as received from the questionnaire. Abu Dhabi Maritime bears no responsibility for the accuracy or completeness of the data presented in various sections of the report.
- The values reported in this report are based on the responses collected through the ESG questionnaire.
- The metrics on which data has been provided within this report are subject to the respondent's interpretation of the metric and their reporting practice.
- In some instances, the percentages presented in pie charts may sum to more than 100% due to the possibility of entities falling into multiple categories simultaneously. Therefore, the total percentage can exceed 100% as each entity can contribute to multiple segments of the chart, representing various categories.
- The data presented within this report has not been verified by an independent third party. The accuracy of the data is contingent on the reliability of the information received.
- The impact of the COVID-19 pandemic in 2021 hindered the ability to obtain a comprehensive picture of that year's data. Therefore, the year 2022 will be used as the baseline to account for the challenges posed by the pandemic.

Given the relatively recent emergence of ESG as a significant topic, many small to medium-sized enterprises are in the initial stages of ESG maturity, impacting the overall ESG maturity of the sector.

Get in touch

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