



# Neptune

Maritime Leasing Ltd



ESG  
REPORT  

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2023

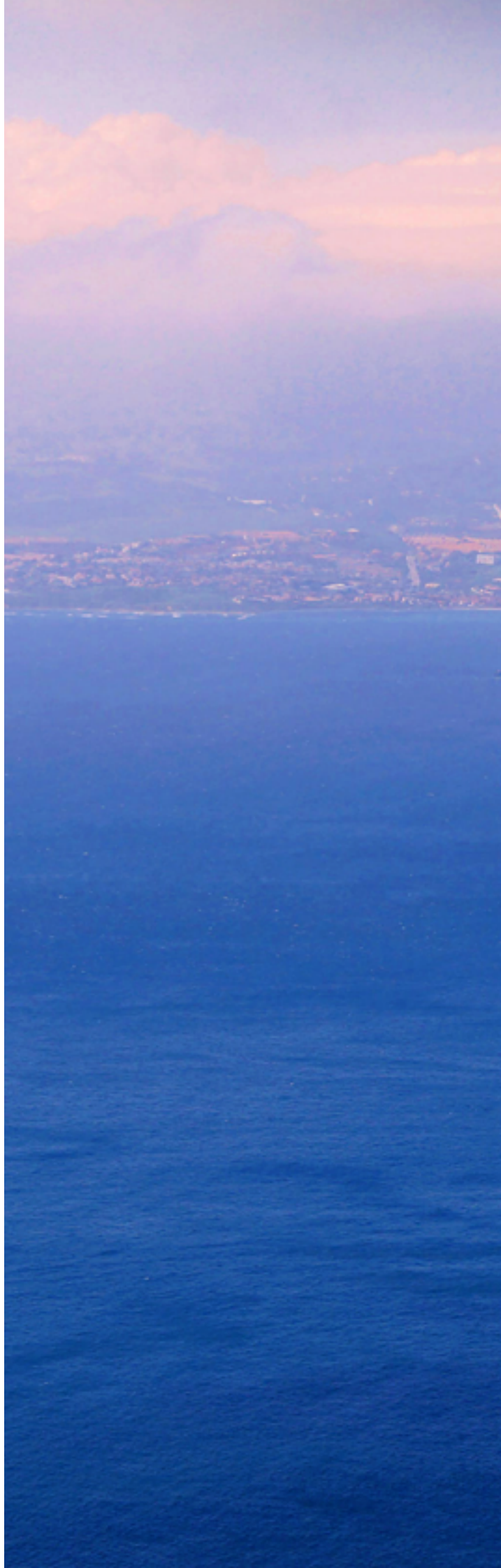


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## Section 1: ESG Report Neptune Leasing

### About this report

This report has been prepared in accordance with the requirements of the United Nations Global Compact and the United Nations Principles of Responsible Investment.

This is our first comprehensive ESG report. The report presents our investment philosophy and our material environmental, social and governance (ESG) management. Our aim through this report is to establish a baseline of our and our lessees' ESG and sustainability performance. We plan to build on this baseline for the future within the scope of our influence as a lessor. This report is best read in conjunction with the ESG Policy of Neptune Maritime Leasing Limited. The reporting period covers September 1<sup>st</sup>, 2022 to September 30<sup>th</sup>, 2023.



## Section 2: About Neptune Leasing

Established in 2021, Neptune Leasing is a fast-growing maritime leasing platform which targets attractive, long-term, risk-adjusted, and responsibly driven returns for our investors.

As of September 30<sup>th</sup>, 2023 we owned 16 vessels under Sale and Lease-back Agreements, with an average age of 10.8 years. On the right is a breakdown of our portfolio:

Given our high growth trajectory, our portfolio is expected to reach 22 vessels by 31<sup>st</sup> December 2023.



■ Dry Bulk      ■ Product Tanker  
 ■ PSV      ■ Container

**Foreword on ESG:** High reputational standards and integrity are our most treasured assets at Neptune Maritime Leasing, particularly given our team’s senior careers and successful track records in the maritime finance industry globally. Consequently, ESG genuinely encapsulates our business philosophy. This philosophy is also keenly shared by our core investors, who participate actively in our strategy and are widely recognised as global responsible leaders in the maritime industry. This helps to reinforce our strategic ESG direction and make our achievements meaningful for the shipping industry.



In 2022, we voluntarily committed to the **United Nations’ Global Compact** and to the **Hellenic Marine Environment Protection Association (HELMEPA)**. Our purpose was to make our commitments public and to demonstrate our achievements to date to our stakeholders and to the wider maritime ecosystem.

As the shipping industry is preparing to join the EU Emissions Trading System (EU ETS) in January 2024, ESG performance is becoming a commercial imperative. Given our thought leadership and commercial acumen in ESG as we will exemplify in this report, we at Neptune Maritime Leasing are ready to finance our lessees’ journey towards bigger and more robust sustainability and financial results. On climate matters, in

addition to our emphasis on energy savings and vessel performance efficiency, we are actively scoping out next-generation clean fuel technologies and energy solutions that will help to permanently reduce shipping emissions at scale. The current landscape is continuously developing, and we remain vigilant towards new, safe, and commercial-scale technological achievements in our industry.

We note however, that we have no operational control of our vessels, which are leased on a bareboat charter to our counterparties. Hence the counterparties are responsible for operations of the vessels and the emissions are hence considered to be indirect emissions through a third party. However, we strive to be transparent concerning availability of data and reporting boundaries.



### Section 3: Statements from our Chair of the Board and our Founder & CEO

#### From our Chair, Dr Gabriella Kindert:

“The foundation of our governance and investment strategies rests upon two fundamental principles: utmost professionalism and unwavering transparency. Our team boasts individuals of exceptional calibre, with an extensive tenure in the industry, and deep expertise in structuring and underwriting. On our Board meetings we prioritize open-mindedness and complete transparency. Every voice is encouraged to contribute, facilitating thorough discussions on risk and exploring a multitude of perspectives. Our Board’s diversity is our strength, ensuring a vibrant culture of debate and robust deliberations.



**GABRIELLA KINDERT**

NON EXECUTIVE DIRECTOR  
& BOARD CHAIR

*“On our Board meetings we prioritize open-mindedness and complete transparency”...*

In today’s volatile global landscape, we focus our time and resources to ensure that our investors benefit from a resilient portfolio across different risk events. Almost all our Board meetings invariably involve deep discussions on credit risk and various aspects of ESG management and strategic direction. In this process, we continuously push the boundaries of our innovative thinking and extensive scenario planning. We continue to emphasise open conversations and active planning. While we rely on our deep industry expertise, we remain modest and vigilant in the face of evolving conditions in an interconnected global landscape”.



## From our Founder & CEO, Harris Antoniou:

“We believe in global trade because it supports livelihoods in emerging and developed markets alike, it promotes cooperation and understanding, and creates global wealth in the most optimal way. We at Neptune Maritime Leasing support shipping entrepreneurs in achieving their growth ambitions, the industry in its crucial energy transition, and best practices in terms of governance and social responsibility. All three are crucial pillars for the longevity of our industry and we believe we have the know-how, the financial capability, and the sincere interest to make this happen.



**HARRIS ANTONIOU**

FOUNDER & CEO

*“Ships make the world go,  
help trade flow,  
and business grow”!\**

\* [bimco.org](https://www.bimco.org)

For one, we support the Small and Medium Size Enterprises (SMEs) of the shipping world that represent 60% of the fleet numbers, but have been left underfunded by changes in the banking and regulatory landscape. Secondly, we are the conduit through which long term capital flows into long-term projects, solving the duration mismatch of funds from the banking world. Thirdly we support companies in their journey towards decarbonization by advancing funds for retrofits and new buildings alike improving the environmental performance.

In a recent poll by the Global Maritime Issues Monitor, the failure of climate change adoption and mitigation were issues that many organizations felt they were unprepared for. Market participants can and should do a lot to prepare for this Big Change and adapt their business models to fit new requirements. Technologies are available and the most promising alternative fuels and ways of propulsion for commercial vessels seem to be LNG, methanol, ammonia, wind propulsion and hydrogen fuel cells. Shipping companies could and should invest in quality dry-docking, maintenance, consider retrofitting vessels with more efficient technologies, and explore investment options in experimental technologies.

Can the industry fund this transition? Yes, we can. We just need to put human ingenuity to work! Neptune Leasing is here to support entrepreneurs, seafarers, and the environment through the conscious choices it makes and the transparency it brings by signing up to the UN Global Compact Principles”.

## Section 4: Our philosophy and ESG investment process

**Our investment philosophy:** Our investment philosophy was galvanised during our team members' prior careers at eminent investment and banking institutions in Europe. We bring to Neptune Leasing a philosophy of **transparency & integrity, diligence & accountability, and resilience & prudence.**

**Transparency & integrity** at Neptune stem from the fact that investment for us is a continuous process. We bring deal opportunities early on to our weekly team meetings, and discuss them openly and constructively. Our Board Chair attends our team meetings, staying on top of the deal flow and pipeline progress. We review and amend our deal opportunities many times, as necessary, in order to arrive at the optimal structure and market exposures. This helps us to stay close to our approved business plan. By the time a transaction is brought to the Board of Directors for final approval, it has been worked thoroughly. The Board of Directors consists of a diverse group of experienced leaders comprising bankers, structurers, lawyers, and shipping experts; they debate transactions extensively before rendering their final approval.

Regarding **diligence & accountability**, we pay sharp attention to quality and detail across the value chain of our investments. For instance, we retain a deal list that includes active and inactive transactions. This helps to reinforce our investment criteria, detect market patterns, and optimise our deal sourcing. We make a point of taking informed and holistic risk-adjusted investment decisions.

On **resilience & prudence**, we have established successive credit and ESG safeguards in our investment processes that create effective safety nets and instant feedback mechanisms. For instance, in addition to extensive investment compliance checks, we have a dedicated technical compliance team that monitors our lease covenants, including ESG undertakings, and matches our cashflows. Additionally, our focused organisational structure of relationship managers for each lessee helps to feedback and resolve key issues, stay on top of developments and new opportunities, and deepen the quality of our lessee relationships.

**Our ESG investment process:** Our ESG investment process is described in detail in our ESG Policy. We are diligent with our pre-investment ESG screening, in order to build a robust understanding and make a sound assessment on new opportunities.

During our investment due diligence process, we evaluate carefully our pre-defined material marine ESG issues and monitor our ESG exclusion list. As part of our core strategy, we continue to maintain our focus on environmental transition. As a consequence, our average fleet age matches the global industry average. Additionally, we recently updated the dedicated ESG section of our investment proposal, our ESG questionnaire, and our due diligence checklist to incorporate EU ETS provisions.

Our integrated investment proposal is presented to the Board of Directors for final deliberation and approval. We continue to update our non-financial lease covenants to keep up with new developments in the industry.

We review the ESG performance of our transactions at least annually, and otherwise monitor our portfolio regularly for material ESG incidents. Continuous dialogue with our lessees and our investors enables us to protect our capital and reputation.

***“During this reporting period, as a result of our rigorous investment process, we have actively rejected investments (circa 30%) on the basis of ESG risks, including compliance, conduct and ethics, and environmental performance”.***



## Section 5: Materiality assessment

We recently updated our materiality assessment of ESG risks. We analyse carefully ESG parameters and record metrics against them. For Neptune Leasing, the management of ESG is a holistic system, so it is not easy to pick out certain elements as more important than others. Nevertheless, some elements need more emphasis, depending on the status of existing contractual arrangements, regulatory obligations, and the scope for our direct intervention or control. In terms of process, we conducted a rigorous internal assessment of ESG factors first. Then we had deep and strategic direct engagements with a wide range of external stakeholders on their own assessment of Neptune’s material ESG risks, including our shareholders and service providers.

**Internal materiality assessment:** Our internal materiality assessment confirmed our key ESG priorities, as we had defined them in 2021, namely *ethical business practices, trust and transparency, compliance, and risk management, which form part of our Governance pillar*. Given our prior history as a team, tightly-knit internal structure, and the nature of our role as a lessor, Social and Environmental risks have been largely mitigated through our contractual lease arrangements, monitoring processes, and reporting obligations. We continue to be vigilant on the E and S pillars. Accordingly, we flesh out our management of G in more detail and report our E and S performance and arrangements throughout this report.

**External materiality assessment:** For our external materiality assessment, we updated the perspectives of a wide variety of external stakeholders, including our shareholders and service providers like lawyers, lenders, insurers and auditors. Each stakeholder’s response was naturally conditioned by the nature of their relationship to Neptune Leasing. Nevertheless, the following parameters of each E, S & G pillar, were highlighted as most important by all respondents, as follows:

Business Conduct, Ethics & Compliance	Climate Change & the Environment	Governance	Social Impact
Ethical business practices	Low carbon emissions	Risk management	Human rights protections
Trust and Transparency	Product carbon footprint		
Compliance with laws	Toxic emissions, waste management, recycling		
Controversial deal sourcing	Energy consumption & efficiency		

**Comparing the two assessments:** The evaluation of our external stakeholders converged with our internal evaluation and confirmed our top ESG priorities, as highlighted in the table above. It also helped to validate our ESG strategic emphasis, internal processes, safeguards, and other governance arrangements.

**A note about our lessees:** We purposefully did not include our lessees in Neptune's materiality assessment. Instead, we opted for a deep-dive into each lessee's ESG priorities, management issues, and performance, which helped to record our portfolio idiosyncrasies better. The results of these extensive direct and strategic engagements are shown in the dedicated E, S, and G sub-sections of this report. **These sub-sections cover 71% of our lessee counterparts.** Statements therein are based on lessee representations and Neptune's compliance checks where applicable.



## Section 6: Governance, the internal control environment, and performance

### • Governance management and performance of our operations

#### Our Policies, Compliance, and Risk Management

**Policies:** Neptune Leasing has a developed list of policies and monitors their implementation actively. In addition to our dedicated ESG Policy, Neptune Leasing is bound by policies covering Anti-Money Laundering & Countering terrorist Financing, Services Suppliers, Cyber and Data Protection. Additionally, dedicated fund policies cover fitness and propriety, compliance, risk management, business risk assessment, and reporting. Neptune has an active list of “responsible persons” for regulatory purposes. Our Chair of the Board is a “responsible person”, ensuring hands-on involvement in the business, close monitoring, and the highest standards of regulatory performance. Currently, Neptune Leasing is in the process of endorsing formally a Code of Business Conduct and Ethics, and policies relating to Anti-Bribery, Whistleblower Protection, Record Retention, Insider Trading, and Sanctions. Our policies are to be reviewed annually, or more frequently as developments prescribe.

**Lease Covenants:** We have dedicated ESG compliance, record keeping, and information covenants in our lease agreements. These cover compliance with international conventions, laws, and the rules and regulations, as applicable, on oil pollution and discharges of pollutants, environmental response and liability, and monitoring and reporting greenhouse gas emissions. Indicatively, these include the International Safety Management (ISM) Code, the International Ship and Port Facility Security (ISPS) Code, the International Convention for the Safety of Life at Sea (SOLAS), the International Convention for the Prevention of Pollution from Ships (MARPOL), and International Maritime Organisation (IMO) regulations. Bareboat charter contracts are based on the Baltic and International Maritime Council (BIMCO) 2001 and 2017 Standards. Vessels are classed with the highest available class with a member of the International Association of Classification Societies (IACS).

**Compliance:** Our dedicated compliance team performs thorough know your clients (KYC) and vessel checks throughout the tenor of the lease agreement. Checks cover, inter alia, the vessels’ track record - including voyage history, sanctions and environmental compliance, suspicious activities - and details about the Ultimate Beneficial Owner.

**Risk Management:** We continue to update our holistic risk management approach, in order to incorporate new factors in reputational, geopolitical, environmental, and increasingly climate risks, as appropriate. As part of standard practice, we aim to mitigate our risks by pursuing transactions with lessees we have long and tested relationships with, and who in turn work with highly reputable charterparties.

## Successive internal controls and safety nets

(a) **Our hands-on Board of Directors:** Our board consists of 8 experienced Directors, covering a wide spectrum of marine, finance, legal, and technical skills and competencies. Cognitive and physical diversity and deep involvement in the business ensure that our board is effective and impactful. Our Chair of the Board works very closely with the CEO and the executive team, ensuring coordination, feedback, and real-time response to critical matters. At Neptune we are in the process of executing a well-defined and mutually-approved business plan, ensuring a clear sense of direction and full alignment with our shareholders.

(b) **Our top-quality capital and service providers:** We enjoy deep relationships with a select group of core capital providers and service providers, who are widely recognised as leaders in their sectors in the marine industry. Their own processes and safety nets provide additional assurances for our operations.

**IT & Cyber security:** We work with the most reputable operators, ensuring cloud-based storage for safe and easy access. We have dedicated virtual libraries for sharing information with our internal and external stakeholders, with carefully safeguarded rights of access. We are considering additional investments in this area, including penetration tests and drills, recognising the critical role of IT and cyber security in our business.

### Performance statistics of our operations

During the reporting period, as a result of our rigorous investment process we have actively rejected investments on the basis of ESG risks, including compliance, conduct and ethics, and environmental performance. To date, Neptune Leasing has not faced any incidents or suspected incidents of corruption, bribery, compliance, or whistleblowing.

Corruption	Bribery	Ethics & Compliance	Whistleblowing	Cyber security
0 (suspected) incidents	0 (suspected) incidents	0 (suspected) incidents	0 incidents	0 incidents

### • Management and performance of our portfolio

**Policies, Commitments, and Prevention Mechanisms:** Our portfolio vessels are classed with the highest available classification with IACS including Bureau Veritas (BV), DNV, KR and RINA. Our lessees have actively adopted Anti-Corruption, Anti-Bribery and Anti-Fraud, Political Contributions, and Whistleblowing Policies. Their Codes of Business Conduct and Ethics also include conflicts of interest, drugs and alcohol use, diversity, equity & inclusion, confidentiality & privacy, anti-money laundering, and protection and proper use of company assets, amongst other topics. Our lessees

operate well-developed compliance programmes. These are based on applicable rules and regulations, including the US Sarbanes-Oxley Section 404 Controls in many cases.

Policies and codes are reviewed at least annually and their implementation is monitored in real time through sophisticated management information and first response systems that are reported to and acted upon by their head offices. Our lessees conduct regular internal controls, process tests, and on-board internal audits. They actively monitor their percentage of port calls in countries that have the 20 lowest rankings in the Transparency International’s Corruption Perceptions Index (CPI).

Given the heavy reliance on IT in our industry, our lessees have adopted sophisticated controls, such as firewalls, vulnerability assessments, and phishing simulation tests. They conduct cyber security penetration tests at least annually, as well as providing regular training of all employees.

**Portfolio performance statistics:** Our lessees are fully compliant with their classification and flag state requirements, have had no jurisdictional sanctions violations, and no incidents of corruption or material whistleblowing. A few are members of the Maritime Anti-Corruption Network (MANC). Indicatively, we noted the following from our direct engagement with them:

***“We have a zero-tolerance approach to bribery and corruption.”***

***“We aim to conduct our business with integrity and transparency, and in accordance with the highest ethical standards.”***

ICSA rate of Compliance	Corruption & Bribery	Sanction Violations	Ethics & Compliance	Whistleblowing	Cyber security
100%	0 fines	0 reported	0 violations	0 incidents	0 incidents



## Section 7: Environmental performance and management

### • Management and performance of our operations

Given our scope of operations as a leasing company, effectively, our environmental management and performance largely depend on the management and performance of our lessees. Through our ESG Policy, we have already established our environment and climate-related investment, monitoring, and engagement parameters. We have also identified climate transition as our preferred area of climate-related intervention. At the current stage we are establishing a portfolio baseline (i.e., portfolio ESG status) from which we plan to build on through further direct engagement with our lessees and additional service provisions.

In terms of our own operations, our overwhelming source of emissions is travel. We aim to maximise our travel efficiency by optimising our plans, at the same time as factoring in the stage of high growth of Neptune Leasing, and the need to stay on top of our business, portfolio, and prospects. Our strategic plans for the next year include considering carbon offsets and formal carbon targets.

**Our own performance statistics:** Statistics from our own operations are provided on a best-efforts basis. They include air travel, hotel stays, office use, and office commute. We have very limited use of plastics or paperwork, given that our business is predominantly computer-based.

GHG scope 1 & 2	Water Use
69.6 in metric tons	24 m3

**Research & Development (R&D) initiatives:** Our Founder and CEO is actively involved in next-generation fuel cell solutions and customizable fuel cell systems that are modular and fully scalable for primary propulsion or auxiliary power needs. Areas of applications in the marine world include cold ironing power to vessels at port, redundant power to existing power applications, and power for auxiliary loads on larger vessels.

### • Management and performance of our portfolio

**Commitments, Policies, and Governance:** Our counterparties have a comprehensive environmental policy in place and are committed towards the preservation of the environment. They report and revise annually specific Key Performance Indicators (KPIs). KPIs are externally audited on an annual basis through the ISM Code Documents of Compliance (DOC) and the ISO certification processes. Majority ISO certifications for our lessees include ISO 14001 on Environmental Management Systems, and ISO 50001 on Unlocking Energy Savings. KPIs are also reviewed by their vessel insurance providers. Our lessees operate, or are in the process of installing, live performance management and automated data capture

systems, with the aim of maximising route, vessel efficiency, and environmental performance.

Our lessees’ environmental performance targets are approved by their respective Senior Management and Boards of Directors. Targets may be updated quarterly, annually, and otherwise as necessary, based on changes in the business environment. Dedicated in-house technical resources monitor the vessels’ environmental performance. A few lessees have instated dedicated ESG governance committees.

One of our lessee counterparts has formally adopted IMO’s ambitions, which include: (a) A reduction of CO2 intensity by at least 40% by 2030, and 70% by 2050, compared to 2008; and (b) A reduction of the total annual GHG emissions by at least 50% by 2050. Others are considering interim climate performance targets.

As one lessee noted: *“We continuously monitor the performance of our vessels through telemetry and advanced data management systems. We take extensive actions to improve the energy efficiency of our fleet both operationally and technically, in view of the greenhouse gas (GHG) strategy set for 2030 and 2050 by IMO”.*

Our portfolio vessels are subject to recycling in accordance to the Hong Kong Convention.

**Portfolio compliance statistics:** Our lessees reported a 100% compliance rate with environmental laws, rules and regulations, and 0 oil spills or releases to the environment. They all hold updated vessel insurance against oil spills and environmental incidents.

Environmental Compliance	Spills & Releases	Updated Vessel Insurance	Vessel Recycling	2050 Net Zero Goal *
100%	0 incidents or accidents	100%	100%	100%

*\*per IMO guidelines*



**Portfolio performance statistics:** Portfolio statistics are provided on a best-efforts basis, given that our lessees follow an annual reporting cycle, they report on a cumulative fleet or vessel-type basis, and some are listed entities and cannot disclose confidential information at this early stage. In a few cases, 2022 data were used as a fair proxy of 2023 performance.

*GHG Scope 1 & air pollution produced by the operation of vessels, and the Average Annual Efficiency Ratio (AER) (in gr Cos/ton-mile)*

GHG scope 1 in metric tons	NOx in metric tons	Sox in metric tons	Inventory of Hazardous Material	Average Annual Efficiency Ratio (AER)
77,406*	960.1*	46.5*	Yes	6.95-3.998*

*\*Partial portfolio figures based on lessee reporting*

**Waste (in m3), Water, Plastics Use:**

Sludge (in m3)	Utilisation of Scrubbers on Vessel	Approved Sewage Treatment System on Vessel	Ballast Water Treatment System (BWTS)	Single-Use Plastics in metric tons
482.15*	50%*	100%*	100%*	43.42*

*\*Partial portfolio figures based on lessee reporting*

**Risk mitigation:** Our portfolio vessels undergo quality inspections conducted by classification societies and flag administrations, as well as port state controls. On emergency preparedness, our lessees have established, implement, and test vessel-level and company-wide emergency response procedures, including for environmental risk events; they review them for continuous improvement and inform their Information Management Systems accordingly. We also conduct initial and periodic technical inspections with qualified international inspectors to assess the condition of our assets.

**R&D plans and improvements:** Various operational improvement initiatives are targeting retrofits, systems installations, and efficiency enhancers. On R&D, initiatives vary widely per lessee. Notable initiatives include bio-fuel trials, co-investments in carbon capture solutions, and investments in start-up energy saving technologies.

## Section 8: Social performance and management

### • Management and performance of our operations

**Human capital management:** Neptune has a nimble, experienced, and agile team of less than 10 professionals, which has worked extensively together previously for reputable financial institutions.

In addition to our extensive compliance programme, Neptune’s human capital practices are governed by our ESG Policy. We operate a continuous employee feedback and appraisal process. Our Chair of the Board and our CEO often join or lead the Neptune team’s investor, lessee, and deal origination meetings, ensuring high standards of performance and integrity.

**Incidents statistics:** We have not had any incidents, or suspected incidents, of employee compliance, health and safety, or grievance since inception.

**Training & Development:** We have a practice of continuous training and development through dedicated and frequent thematic workshops with our lawyers, bankers and other service providers, as applicable. Our Chair, CEO, and team members are active speakers at flagship private debt, maritime and commodities conferences. These include indicatively Super Returns, PDI Forum, Mare Forum on Shipping Finance, Marine Money Week, Maritime Leaders Summit, and the Capital Link Annual Shipping Fora. This helps Neptune to drive, as well as stay on top of, developments in the shipping finance and private debt industries globally.

*At Neptune Leasing, we believe in active young talent development. During the summer of 2023, we trained two international and diverse summer interns, by exposing them to various strategic and business development projects, and empowering them to propose solutions and action plans.*

**Gender Equality:** Our Board of Directors comprises almost 40% female leaders and our Chair of the Board is female.

### Performance statistics of our operations:

Employee appraisal	Grievances	Compliance rate	Gender Equality	Training
Continuous process	0 incidents	100%	~40% female Board Directors, Board Chair is female	Continuous process

## • Management and performance of our operations

**Labour Policy:** All our counterparties have adopted labour and health & safety policies that are tailored to the flag and class requirements, and applicable laws, rules and regulations in the maritime industry, also satisfying UK P&I Club insurance provisions on Ship Owners' Liability & Risk Management. Indicative reference frameworks include the Maritime Labour Convention (MLC), the International Safety Management (ISM) Code, ISO 9001 on Quality Management System Requirements, ISO 45001 on Occupational Health & Safety Management. Moreover, our lessees' labour policies are governed by their Codes of Conduct & Ethics, their crew welfare, working conditions, and wellbeing policies, and their crewing procedures.

There are clear provisions in place against employment discrimination, harassment and bullying, child or forced labour. Frequent campaigns by the lessee managers enforce key messages. Collective bargaining and freedom of expression are also safeguarded through referenced lessee policies and practices. Our lessees monitor crew working hours and target reduced contract tenures, to ensure optimal working conditions. They aim to foster direct engagement with seafarers through on-board visits and townhalls, encouraging personal understanding and helping to increase retention rates.

Training of seafarers and office-personnel is systematically provided during the induction process, on a regular basis throughout their tenure, and during the appraisal process. On many occasions, appraisals inform new personal targets.

A lessee indicatively stated: *"Our policies are designed to ensure fair and equal treatment for all employees and job applicants, regardless of their race, colour, religion, gender, national origin, age, disability, or any other protected characteristic. We recognize the importance of negotiations between labour unions or employee representatives and the management team to ensure fair working conditions, wages, and benefits. We believe in fostering an open and inclusive workplace culture that values freedom of expression while maintaining a respectful and professional environment. Our policy on freedom of expression includes among others the following principles: 1. non-retaliation; 2. professional conduct; and 3. respect for diverse opinions"*.

**Portfolio performance statistics:** Turning to our portfolio statistics, our lessees reported a 100% compliance rate with labour policies, and a 100% cover of collective bargaining agreements. They also reported an average of 89% seafarer retention rate, 33% company percentage of women in managerial positions. Lost time injury rate statistics varied between 0 to 0.22 per 1,000,000 manhours. Workforce training covered their entire organisations on general labour issues, health and safety and digital skills.

Labour Policies Compliance Rate	Lost time injury rate (LTIF), (range, where reported)	Seafarer Retention Rate (median, where reported)	Collective Bargaining Agreement Cover	Gender Equality	Workforce Training (average, where reported)
100%	Range: 0-0.22 per 1,000,000 manhours	89%	100%	33 % women in managerial positions	- general: 300 hrs - h&safety: 250 hrs - digital: 140 hrs



## Section 9: Corporate Social Responsibility (CSR) activities - giving back to the community

- Beach cleaning initiatives



Neptune Leasing's team with friends and family during the beach cleaning action at Agios Nikolaos in Anavyssos, Attica under the auspices of HELMEPA - Hellenic Marine Environment Protection Association in a campaign to [#SaveOurSeas](#). October 2022.

In October 2022, under the auspices of HELMEPA and Ocean Conservancy's Global Voluntary Coastal Cleanup Initiative 2022, Neptune organised a 4-hour family Beach Cleaning Initiative at Agios Nikolaos in Anavyssos, Attica, Greece. More than 25 executives, friends and partners of Neptune Leasing participated in this event, responding to the campaign's message "I take part, I become the solution". Together, we collected a large amount of garbage and recyclables, counting more than 200 kg in total waste. The cleaning of the beach was carried out as part of Neptune's Social Responsibility actions and in accordance with the 14<sup>th</sup> Sustainable Development Goal, "life in water", of the United Nations.

**Our CEO stated:** *“Being part of HELMEPA, we remain committed to improving business standards in the shipping sector. This collective effort enables us to strengthen our CSR work, express our commitment to environmental protection and sustainable development, and to create a positive and measurable impact on society and the environment. We demonstrate our protection and respect of the sea and beaches. We are particularly sensitive to environmental issues and are active through our voluntary initiatives for the benefit of the seas and coasts. We thank all the friends and partners who joined us in our action today, from which we all left with a sense of deep satisfaction. At Neptune Leasing we seek to finance projects that protect the environment. We strongly believe that leasing solutions will help shipowners achieve their growth plans in this exciting market.”*



Our Founder and CEO is also the Treasurer and Member of the Board of the Non-Profit Organization [Komvos-Node, Networks of Global Hellenism](#) and coordinator of the maritime cluster efforts therein. Komvos aims to promote dialogue and initiatives on scientific, technological, and societal growth.



## Section 10: Concluding remarks

ESG to **Neptune Maritime Leasing** is about a disciplined framework for safeguarding and creating long-term economic value. Within our portfolio, almost 1/3 of our lessee counterparts produce a stand-alone ESG report. For the next reporting period, we are looking at ramping up our environmental and climate-related management and activities, while retaining a strong track record of social and governance performance. Our Board of Directors remain vigilant about the effects of the EU ETS implementation, as well as about innovative solutions that will enable the maritime industry to contribute actively to climate mitigation.





# Neptune

Maritime Leasing Ltd

## ESG REPORT

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## 2023

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