

EKSPORTKREDITT

Export Credit Norway

Guidelines for mobile units

Mobile units such as ships, aircraft and trains are not generally covered by the OECD agreement on environmental and social conditions or by the Equator Principles. This is because assessing a project's environmental and social consequences can be difficult without specifying a geographical area. Export Credit Norway nevertheless categorises all transactions – irrespective of project type and location – in accordance with the guidelines.

The maritime industry is subject to significant regulation by international conventions. Several of these conventions are intended to address both environmental and social risks. Among them are the International Maritime Organization's MARPOL and SOLAS conventions and the International Labour Organization's Maritime Labour Convention of 2006 ("MLC, 2006"). The flag of a particular ship or rig indicates which IMO agreements the flag state has ratified and is therefore an important criterion. Also important are the ship or rig's technical properties and ownership, as well as the operator's management and security systems and overall experience.

There is a general requirement that all units in risk category A have ISO 9001, ISO 14001 and OHSAS 18001 certification. For category A transactions, an Environmental and Social Impact Assessment (ESIA) is generally required. However, completing such a report on mobile units may be difficult unless they are bound for a defined geographical location on long-term contract. If the mobile unit is to operate within a specific geographic area for a period of two years or more, an assessment will be made of the consequences for this area as if the device were not mobile. If it is known that the unit will be operating in an area potentially vulnerable to environmental risk, it may be necessary to impose special requirements even if the unit's initial contract is for less than two years. That may be the case for Arctic regions, RAMSAR sites or important breeding and feeding areas for red-listed species, or if the unit will be engaged in a particularly risky manner in harvesting, hunting, fishing or exploiting vulnerable marine resources.

Where the unit will be built is also important to the assessment. Export Credit Norway is especially focused on promoting acceptable working conditions and avoiding the use of child or forced labour, substantial HSE risks and serious violations of local labour law. The unit may well be in risk category C during the operational phase but, depending on our degree of influence, special requirements to address social conditions will be imposed in connection with construction of the unit. This typically applies to hulls built in Eastern Europe and ships/rigs built at Asian yards. Export Credit Norway and GIEK have jointly given clearance to a number of yards, including some in Korea, as having acceptable standards in this regard. Certifications such as OHSAS 18001 (HSE conditions), ISO 14001 (environmental

management) and SA 8000 (which deals more with employee working conditions) are important factors.