

Danish Ship Finance increases focus on responsible ship recycling

In December 2021, in line with our commitment to the shipping industry's green transition, we joined the voluntary initiative 'Responsible Ship Recycling Standards' (RSRS)¹ as the 13th bank member. The initiative was initiated by other recognized shipping banks, and it calls upon institutions financing the shipping industry aiming to improve the end-of-life stage of ships.

"We recognize that recycling of ships and mobile offshore units is an integrated part of the shipping and offshore industries' value chains, and DSF wants to play an active role in improving both environmental and human rights conditions in this respect. We strongly encourage our clients to continuously improve their practices as well as due diligence procedures to accommodate the need for change with regards to the scrapping of vessels", – Michael Frisch, CCO, Danish Ship Finance

The industry of shipbreaking is historically known for its challenges with upholding decent work conditions, but also for its massive negative environmental impacts. By joining the RSRS initiative, Danish Ship Finance will, together with several other key ship financing institutions, work to improve these conditions, especially in Asia, where most of the scrapping takes place. We will do so by aligning our business processes with the RSRS to ensure that our clients engage in the efforts to improve their recycling practices and to enhance transparency.

Formalizing our current client engagement on ship recycling

It has always been top priority for DSF to only engage with top tier ship owners with high standards of governance, and the last three years we have had an even stronger focus on client dialogue and engagement, especially focused on sustainability. Today, we work systematically with sustainability ratings of both current and potential clients to ensure that the shipowners we engage with are on the right track in terms of environmental, societal and governance matters. More specifically, our rating framework also include 'sustainable ship recycling' as a parameter. In that sense, joining the RSRS is indeed also a formalization of our already existing practices in DSF.

Financing the transition

In early November, the Board of Directors approved an updated corporate strategy for Danish Ship Finance. A central part of the strategy is our clear and ambitious sustainability profile and joining RSRS is thus fully aligned with our ambitions on sustainability.

To read more about our work on sustainability, visit our page [here](#).

Yours sincerely,
Danish Ship Finance

Erik I. Lassen
Chief Executive Officer

Michael Frisch
Chief Commercial Officer

¹ The Responsible Ship Recycling Standards as updated and amended March 2021