



# POSEIDON PRINCIPLES

## Annual Disclosure Report 2024

5<sup>TH</sup> EDITION



December 2024

## **Poseidon Principles**

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# Foreword

We are very pleased to present the fifth Annual Disclosure Report of the Poseidon Principles. Since its launch in 2019, the initiative has grown to 35 signatories from 14 countries and represents nearly 80% of global ship finance, a testament to the growing impact of our commitment and the importance of transparency in propelling the maritime industry towards decarbonisation.

What started with a conversation in 2017 and was first presented as an idea under development during the first Global Maritime Forum Annual Summit in Hong Kong in 2018, can now be celebrated as a model for industry-specific transparent climate disclosure in shipping. As the first sectoral climate alignment framework, the Poseidon Principles has not only established a standard for the shipping industry but inspired other shipping stakeholders (charterers and shipowners, marine insurers) as well as financial institutions in other sectors (aviation, aluminium, and steel) to tailor a transparent disclosure methodology for climate alignment.

Over the last five years, the transparent exchange of data and participation in the initiative has fostered meaningful engagement between signatories and their clients. The consistently increasing reporting percentages also indicate a collaborative and mutually beneficial relationship between financial institutions and their clients in the shipping sector and an increase in transparency levels throughout the industry, which is especially commendable in light of the higher ambitions set by the IMO last year as part of the 2023 IMO GHG Strategy.

This is the second time signatories have disclosed climate alignment scores against decarbonisation trajectories aligned with the latest IMO ambition which aims for net-zero emissions from international shipping by or around 2050. Following the IMO's revised ambition announced at MEPC80 there was a very tight time-frame to revise our trajectories, and as a result in the course of preparing the 2023 Annual Disclosure Report a number of vessels from the passenger segments (cruise, ferry-RoPax, vehicle, and ferry-pax only) were showing unexplainable misalignment from their respective emission intensity trajectories. Following a thorough internal review of the methodology used to generate these trajectories, an error was identified. As a result, the trajectories for the above segments were excessively stringent, i.e., the vessels' misalignment was generally overstated. A major update to the trajectories of the above segments was proposed and implemented following careful review and testing. Instead of restating the entire 2023 Annual Disclosure Report, it was further agreed that each signatory may freely choose to report their revised results from last year.

When compared to the climate alignment scores from last year, there is a notable improvement seen across the majority of signatories. While most scores still do not align, this improvement highlights not only the collaborative efforts made between signatories and their clients to meet the industry's decarbonisation goals but also shows support for the new IMO ambition despite remaining uncertainties. Looking forward, we will continue to note discussions between the IMO and the passenger shipping sector as the

review of CII regulations takes place and consider the outcomes of MEPC83 and other IMO work to continue fine-tuning the methodology of calculating climate alignment.

This year, we also created the Future Principles Committee, which aims to explore opportunities to include broader industry environmental and social sustainability objectives alongside climate within the Poseidon Principles. The goal is to stay in line with the overall philosophy of fostering transparency, simplicity of data collection with clients, and reporting using recognised benchmarks.

We extend an invitation to join us, now 35 signatories strong, in celebrating our accomplishments while simultaneously preparing for the challenges ahead over the next five years. For the five signatories who are reporting for the first time, we congratulate them on their achievement.



**Michael Parker**

Chair, Poseidon Principles  
Chairman, Global Shipping and Logistics, Citi



**Paul Taylor**

Vice Chair, Poseidon Principles  
Global Head of Maritime Industries, Societe Generale

**December 2024**



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# 1. Introduction

## About the Poseidon Principles

The Poseidon Principles are a framework for assessing and disclosing the climate alignment of ship finance portfolios. They establish common global baselines to quantitatively assess and disclose whether lending portfolios are consistent with adopted climate ambitions.

Signatory institutions commit to annually report their portfolio climate alignment and implement the Poseidon Principles into their internal policies, procedures, and standards. They are supported in this by a robust and industry-appropriate climate alignment assessment methodology and carefully considered accountability and enforcement requirements that support transparent data collection and disclosure practices.

The Poseidon Principles were developed in an effort spearheaded by global banks (Citi, Societe Generale, and DNB) in collaboration with leading maritime companies (A.P. Moller - Maersk, Cargill, Euronav, Gram Car Carriers, Lloyd's Register, and Watson Farley & Williams) and supported by the Global Maritime Forum, Rocky Mountain Institute, and UMAS.

The Principles aim to assist financial institutions in integrating climate considerations into their lending decisions in line with global climate-related goals. They not only help the signatory institutions improve

decision-making at a strategic level but also shape a better future for the shipping industry.

As a cornerstone of international trade, the shipping industry transports around 90% of all global goods. However, the industry's significant carbon footprint poses an urgent challenge: for the world to decarbonise, shipping must decarbonise. Finance plays a powerful role in this transformation.

## Scope

The Poseidon Principles are applicable to relevant lenders, lessors, and financial guarantors, including export credit agencies (ECA). Signatories must apply the Poseidon Principles to all business activities:

1. that are credit products (including bilateral loans, syndicated loans, club deals, and guarantees) secured by vessel mortgages, finance leases secured by title over vessel, or unmortgaged ECA loans tied to a vessel; and
2. where a vessel or vessels fall under the purview of the International Maritime Organization (IMO) (e.g. vessels with a gross tonnage of 5,000 and above that trade internationally and have an established Poseidon Principles trajectory whereby the emissions intensity can be measured with IMO Data Collection System (DCS) data).

Climate alignment is currently the only environmental factor considered by the Poseidon Principles. This scope will be reviewed and may be expanded by signatories on a timeline at their discretion.

→ [See the previous Annual Reports here.](#)



# The Principles

## Principle 1

### Assessment

Signatories will annually assess the climate alignment of their shipping portfolios using a robust and industry-appropriate methodology outlined in the Technical Guidance. This entails first measuring the emissions intensity of the shipping portfolio and then comparing that to a defined decarbonisation trajectory. The requirement to assess climate alignment takes effect the calendar year after a financial institution becomes a signatory. In other words, if a financial institution joins in January 2025, they will not be required to assess climate alignment until 2026.

## Principle 2

### Accountability

Signatories will rely on the IMO standards and recognized organizations (ROs) for the provision of identical, unbiased information for all steps of assessing climate alignment. This includes honouring mandatory IMO regulations for collecting and reporting fuel oil consumption information in the IMO DCS.

## Principle 3

### Enforcement

Signatories will include a standard covenant clause, or binding agreement, in all new business activities, which ensures access to high-quality data and compliance with the Poseidon Principles. Signatories also commit to working with clients to gather the necessary information to assess climate alignment.

## Principle 4

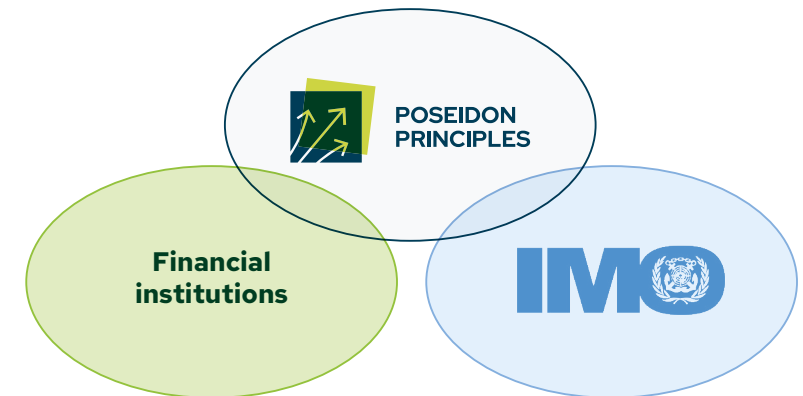
### Transparency

Signatories will publicly acknowledge their participation in the Poseidon Principles and publish their climate alignment score in the Poseidon Principles Annual Disclosure Report and their own corporate reports each year.



### What is the Technical Guidance?

The Technical Guidance outlines the requirements and methods signatories use to assess climate alignment and abide by the four Principles. The current version, 5.1, was published in June 2024 and has been used by signatories for the Annual Disclosure Report 2024. This version, along with a document summarising the changes to methodology over time, can be found on the [Poseidon Principles website](#).



**Figure 1.**

The Poseidon Principles relationship to financial institutions and the IMO.

## The signatories



To date, 35 leading banks, jointly representing nearly 80% of global shipping finance, have committed to the Poseidon Principles. All signatories are members of the Poseidon Principles Association, the governing body of the Poseidon Principles.

→ [Learn more about becoming a signatory.](#)



## Steering Committee

The Steering Committee coordinates the Association and Principles on behalf of all signatories. The current Steering Committee is made up of 16 signatories, with two representatives each, who have been elected by all members to serve a defined term. The Poseidon Principles Chair, Vice Chair and Treasurer are nominated by the Steering Committee and also serve a defined term.

—> [Learn more about the governance of the Poseidon Principles.](#)

### ABN AMRO Bank

**Florin Boros**, Senior Director, Head of Lending Shipping

**Anastassia Tcherneva**, Head of Shipping and Intermodal Clients

### BNP Paribas

**Vincent Pascal**, Head of Shipping and Offshore Finance EMEA

**Mathieu Vidal**, Vice President, Shipping and Offshore Finance

### Citi

**Michael Parker**, Chairman, Global Shipping and Logistics (Poseidon Principles Chair)

**Alfred Butrous**, Director, Shipping Offshore and Logistics

### Crédit Agricole CIB

**Thibaud Escoffier**, Global Head of Ship Finance

**Emilie Sanchez**, Structured Finance, Global Shipping Chief Operating Officer

### Danish Ship Finance

**Christopher Rex**, Head of Sustainability

**Pardeep Singh Rana**, Senior Analyst

### Development Bank of Japan Inc.

**Masahiko Azegami**, Managing Executive Officer

**Kazuhiko Kanazashi**, Managing Executive Officer, Corporate Finance Department

### DNB

**Christos Tsakonas**, Head of Global Shipping

**Knut Ola Skotvedt**, Senior Vice President

### ING Bank N.V

**Stephen Fewster**, Managing Director and Global Head of Shipping (Poseidon Principles Treasurer)

**Rajesh Subramanian**, Director, Lead Shipping Energy Transition

### KfW IPEX-Bank

**Dominik Höhn**, Team Head Execution

**Sebastian Blum**, Team Head Mobility

### Nordea Bank Abp

**Thor-Erik Bech**, Head of International Shipping and Offshore

**Geir Atle Lerkerød**, Head of Nordic Shipping

### SEB

**Chris Fasseland**, Client Executive

**Per Olav Bucher-Johannessen**, Head of Shipping

### SMBC Bank

**Guillaume Dufour**, Managing Director and Head of Marine Finance

**Sabrina Han**, Director, Transportation Finance

### Societe Generale

**Paul Taylor**, Global Head of Maritime Industries (Poseidon Principles Vice Chair)

**Benoit Micaelli**, Shipping Structured Finance

### Standard Chartered Bank

**Heng Chih Chwen**, Director, Shipping Finance

**Amy Chua**, Director of Environmental and Social Risk Management

### Sumitomo Mitsui Trust Bank, Limited

**Masaya Noda**, Head of Shipping

**Kentaro Shoda**, Manager, Corporate Business Planning Department

### UBS AG

**Joshua Alexander Walter**, Key Account Manager



## 2. Celebrating five years of the Poseidon Principles

### From an idea to a model of transparent disclosure

At the time of launch in June 2019, the Poseidon Principles became the **first sector-specific climate alignment framework** for financial institutions that measured and reported real emissions data. The framework took inspiration from the Equator Principles, which set minimum standards for financial institutions to assess and manage the social and environmental risks associated with their investments, and the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), which shifted the focus of financial institutions to begin understanding and managing climate change-related financial risks.

By bringing together financial institutions, shipowners, and expert communities, the Poseidon Principles have enabled financial institutions to actively integrate climate considerations into lending decisions over the past five years. This ambition continues into the future.

Bank lending represents approximately 62% of all types of financing for the global shipping industry, and it serves as an essential, and often the lowest cost, **source of capital for shipowners**. As of the publication of this report, the Poseidon Principles now represent approximately \$240 billion, or nearly 80% of global shipping finance. There are currently 35 signatories from 14 countries, with approximately 70% from Europe and North America and 30% from Asia-Pacific. Figure 2 shows the history and overall evolution of the membership and activities of the Poseidon Principles.

Over the last five years, the Poseidon Principles framework has inspired similar maritime disclosure initiatives like the **Sea Cargo Charter** and the **Poseidon Principles for Marine Insurance**, both of which are based on the same four principles and also hosted by the Global Maritime Forum. The work of the Poseidon Principles Association has also inspired other financial disclosure initiatives like the Sustainable STEEL Principles for steel, the Sustainable Aluminium Finance Framework for aluminium and the Pegasus Guidelines for aviation. Climate disclosure reporting plays a crucial role in enhancing the transparency and accountability of climate and environmental impact, risk management, regulatory compliance, and strategic planning of participating organisations and their clients.

**13 April:** IMO sets an initial greenhouse gas (GHG) ambition, to reduce operational (tank-to-wake) carbon emissions by 50% by 2050.

Creation of the Global Maritime Forum.

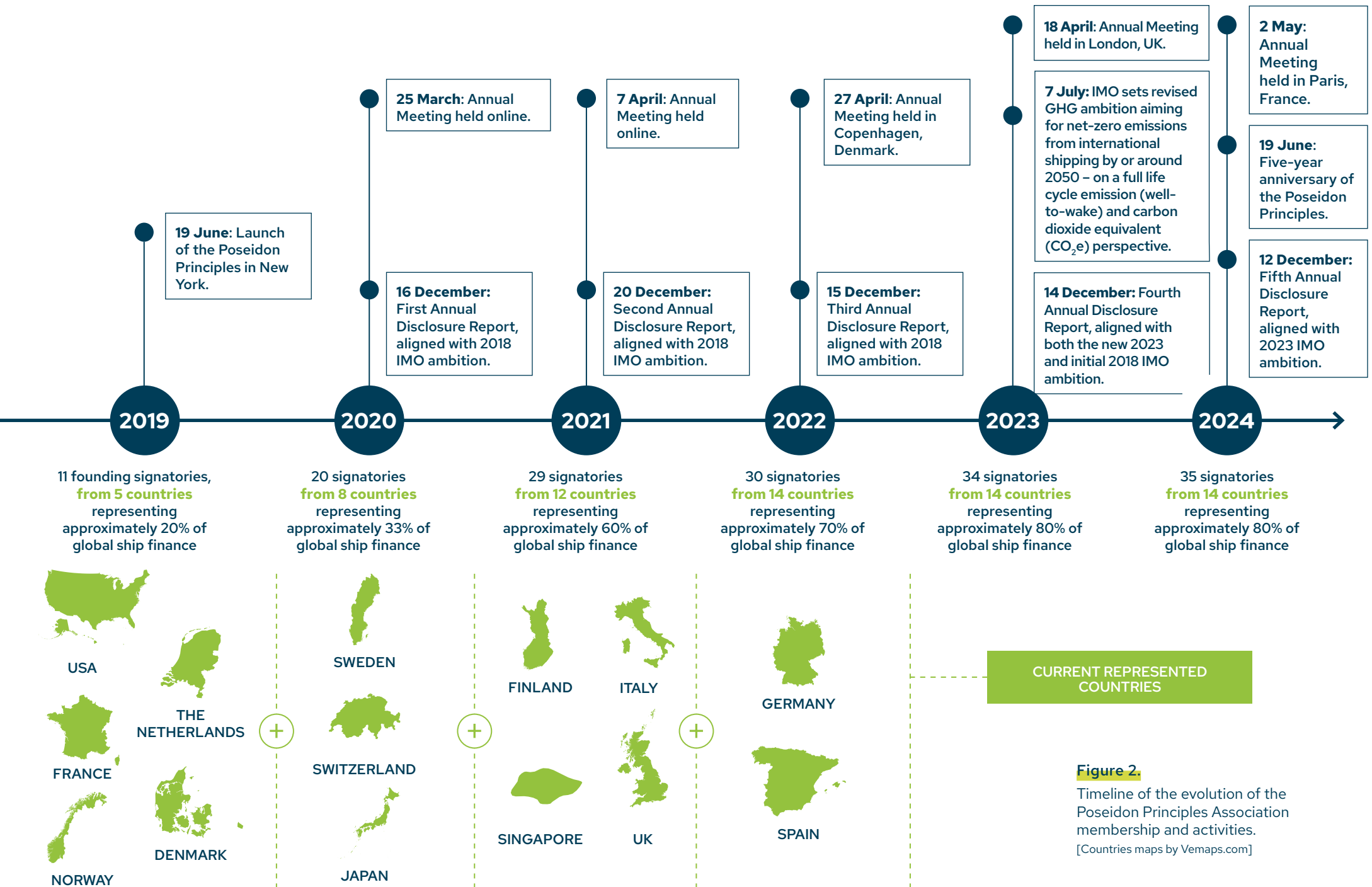
**2-4 October:** The Poseidon Principles were introduced as a concept under development at the first Global Maritime Forum Annual Summit, held in Hong Kong.

2018



#### About the Annual Meetings

The Annual Meeting of the Poseidon Principles is the only in-person meeting of the Association, where all signatories are welcome to come together to discuss yearly activities and technical updates to the methodology, elect Steering Committee members when needed, share learnings, and connect with peers. Each year, one signatory volunteers to host their fellow signatories, the Secretariat, and the Advisory at the Annual Meeting. Many thanks to the past and future hosts!



**Figure 2.** Timeline of the evolution of the Poseidon Principles Association membership and activities. [Countries maps by Vemaps.com]

## Supportive of and supported by the industry

In 2022, as part of the third Annual Disclosure Report, signatories began disclosing the percentage of their portfolio included in the calculations of climate alignment, known as the reporting percentage. The reporting percentage displays the amount of data signatories receive from their clients and is calculated against the percentage of debt in a signatory portfolio. The intention behind disclosing this information is to increase transparency and gain a deeper insight into what makes up a climate alignment score. During the first exercise, the average reporting percentage was 91%, with all signatories reporting above 50%. In this report, the average reporting percentage is 93.3%, with 80% of signatories reporting over 90%, and eight signatories reporting 100% of their eligible portfolio. The increase over the last two years is a result of the active support and participation of signatories' clients, who see the value of sharing their data in a transparent way.

The Poseidon Principles foster a collaborative and mutually beneficial relationship between financial institutions and their clients in the shipping sector. By embedding the Principles into sustainability and risk assessment processes, financial institutions can better understand their clients' decarbonisation strategies and support them in reducing emissions. Emission data is a critical factor in assessing clients'

overall transition readiness, which can be used to inform sustainability-related activities and practices.

Customised financial products, such as green or sustainability-linked loans for vessels equipped with energy-saving technologies like solar panels, wind propulsion systems, or air lubrication, can assist clients in lowering the emission intensity of their fleets. The transparent exchange of data and participation in decarbonisation initiatives foster deeper engagement with clients, supporting their efforts to meet the revised IMO targets and navigate the landscape of decarbonisation.

In turn, clients actively participate in this collaborative process by investing in efficiency improvements, retrofits, and alternative fuel technologies. Their participation in the Poseidon Principles not only provides the possibility to improve their own operations but also strengthens their partnerships with financial institutions, which rely on their data to make informed decisions and provide financing solutions as part of the green transition. The Poseidon Principles allow both parties to engage in fact-based dialogues, ensuring that emission reduction efforts are aligned and continuously evaluated. As both financial institutions and their clients work toward reducing emissions, this shared commitment supports the broader goal of decarbonising the shipping industry.

The extensive involvement of signatories and their clients highlights an achievement and shift in normal practices since the establishment of the Poseidon Principles; transparency is recognised as an important first step in understanding and eventually reaching the climate-related goals of the international shipping industry. Climate alignment scores and information disclosed publicly by signatories in the Annual Disclosure Reports help form the basis of the annual **Climate Action in Shipping** report, which allows for the role of finance to be better understood within the greater context of maritime decarbonisation. This can then inform next steps and bring to light opportunities to ensure continued momentum of the green transition across the board.



## Evolution of the reporting methodology

While the Poseidon Principles are meant to set baselines and monitor progress, they are not static. Instead, they were designed to be improved and strengthened over time with the availability of new data, new research, and new goals. Over the last five years, the methodology and disclosure requirements have been updated based on developments in the field, recommendations from technical advisors, and signatory observations.

## Increasing ambition and the resulting decarbonisation trajectories

At the time of the first report in 2020, signatories reported against trajectories that were aligned with the initial IMO GHG ambition, set in 2018 of reducing GHG emissions from international shipping by 50% by 2050<sup>1</sup> on a tank-to-wake basis (i.e., only considering the carbon emissions created by vessels burning fuel during operation). This original trajectory was based on historical carbon intensity data from the Third IMO GHG Study.

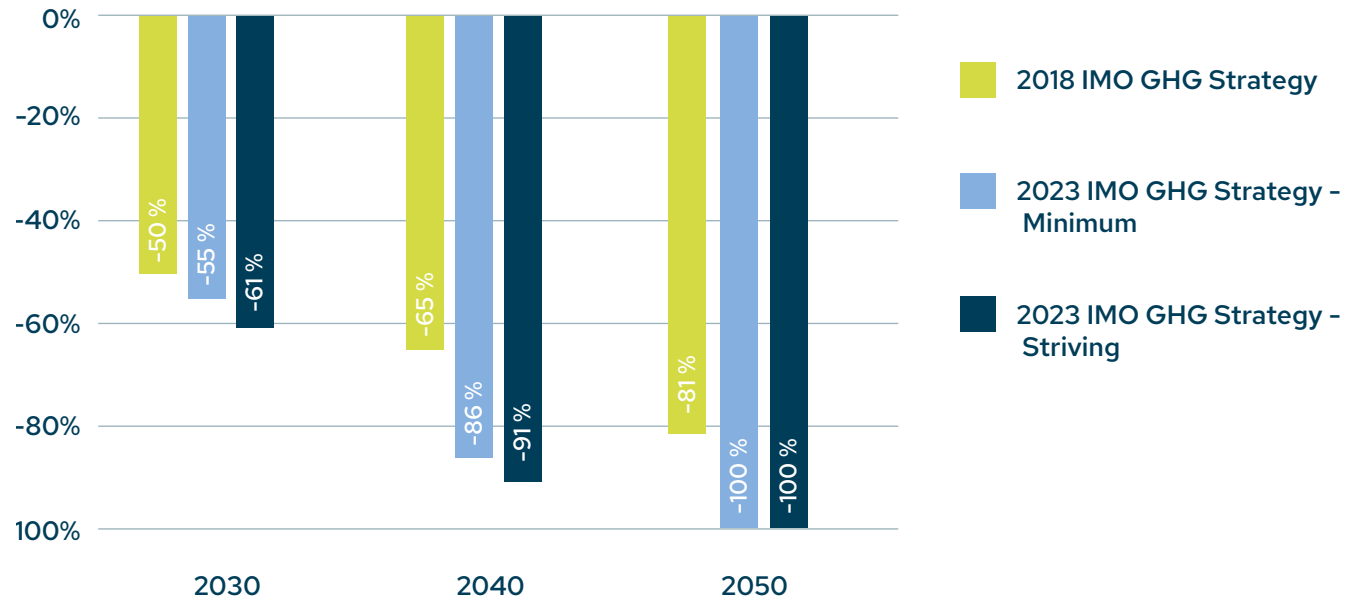
In 2021, information from the Fourth IMO GHG Study was incorporated, which accounted for revised transport demand projections based on trends in the relationship between maritime trade and its drivers. This resulted in a slightly shifted global decarbonisation trajectory. The ambition remained the same in 2021 and 2022, but signatories refined the reporting scope and pieces of the methodology to continue to improve how their climate alignment scores reflect the efforts of the industry.

In 2023, after the IMO revised its GHG strategy in July<sup>2</sup>, there was a significant update to the trajectories. The Poseidon Principles Association unanimously agreed to adopt this new ambition in September 2023, which included an increased overall ambition of reducing emissions from international shipping to net zero by or around 2050, on a well-to-wake basis, considering other greenhouse gases beyond CO<sub>2</sub>, and the full life cycle of emissions from fuel production to fuel usage on vessels. This net-zero goal includes two indicative GHG reduction checkpoints of 20% minimum (striving for 30%) in 2030 and 70% minimum (striving for 80%) in 2040, all relative to 2008 levels.

<sup>1</sup> When compared to the GHG levels emitted by international shipping in 2008.

<sup>2</sup> This revised ambition is known as the 2023 IMO Strategy on Reduction of GHG Emissions from Ships (2023 IMO GHG Strategy for short) or RESOLUTION MEPC.377(80).

Due to the breadth of the change, signatories had the option of reporting three overall climate alignment scores in 2023: one based on the trajectory of the initial 2018 IMO GHG ambition, one based on the revised 2023 IMO GHG minimum ambition, and one based on the revised 2023 IMO GHG striving ambition. Since the publication of the 2023 report, further refinements were made to certain aspects of the trajectories, which have been explained in Section 3. However, the overall ambition and underlying assumptions of transport demand have remained the same, meaning the shape of the global 2023 IMO GHG trajectories have remained the same as last year (see Figure 7). This year, signatories are required to report two climate alignment scores against the 2023 IMO GHG Strategy minimum and striving trajectories.



**Figure 3.**

A comparison of the emissions intensity reduction needed between the IMO goals used historically and currently in the Poseidon Principles. The initial 2018 IMO GHG Strategy, represented by the green bars, was used to create the decarbonisation trajectories used by signatories in 2020, 2021, and 2022. This was also used in 2023, accompanied by two new trajectories based on the 2023 IMO GHG Strategy, represented by the light blue and dark blue bars. This latest ambition was used to create the trajectories used by signatories in 2023 and 2024.

## Refinements to emissions intensity and climate alignment calculations

When disclosing climate impact based on emissions, there are two different types of useful measurements for meeting the IMO ambition: absolute emissions and emissions intensity. Absolute emissions refer to the total amount of GHG emitted by a given entity. Emissions intensity instead represents the total emissions relative to a given unit, for example, grams of CO<sub>2</sub> emitted per deadweight tonne-nautical mile (gCO<sub>2</sub>/dwt-nm) as calculated by the Annual Efficiency Ratio (AER).

For the purpose of the Poseidon Principles, climate alignment is the relationship between “actual emissions intensity” and the “allowed emissions intensity” of a signatory portfolio. AER has been used as the “actual emissions intensity” calculation since the first report in 2020, but signatories have fine-tuned the specific methods. This is guided by an ambition that the emissions intensity metric should produce the closest measure of the vessel’s true emissions intensity while ensuring consistency with the policies and regulations of the IMO and its Data Collection System. In 2021, the use of capacity gross ton distance (cgDIST) to calculate emissions intensity for cruise, ferry-RoPax (roll-on/roll-off passenger), ferry pax-only (passenger only), and vehicle vessels was added to the methodology based on the IMO MEPC.352(78) resolution. The calculation of cgDIST is the same as AER but allows the use of gross tonnage in place of deadweight,

resulting in a unit of grams of CO<sub>2</sub> emitted per gross ton-nautical mile (gCO<sub>2</sub>/gt-nm), which is a more relevant metric for certain vessel types.

Signatories have also refined how they determine the “allowed emissions intensity” of each vessel in their portfolio. In the first three reports, the allowed emissions intensity was taken from a “stepped baseline”, which assigned every vessel an allowed AER value based on the vessel’s “size bin”, or the set categories of size ranges and units as laid out by the Fourth IMO GHG Study<sup>3</sup>. This means all vessels in the same size bin were assigned the same allowed AER, which led to some challenges when calculating climate alignment, especially for those vessels at the edges of each size bin. In 2023, as part of the overall update to the trajectories, the calculation of allowed emissions intensity changed to be based on a “continuous baseline”. Continuous emissions intensity baselines assign an individual AER for every single vessel based on the vessel’s specific size and are common practice in the industry. Signatories saw this update as a positive development that created a more representative calculation of vessel climate alignment.

<sup>3</sup> For example, a 65,000 DWT bulk carrier would be in the bulk carrier size bin 4. See more in Table 8 of the [Fourth IMO GHG Study](#).



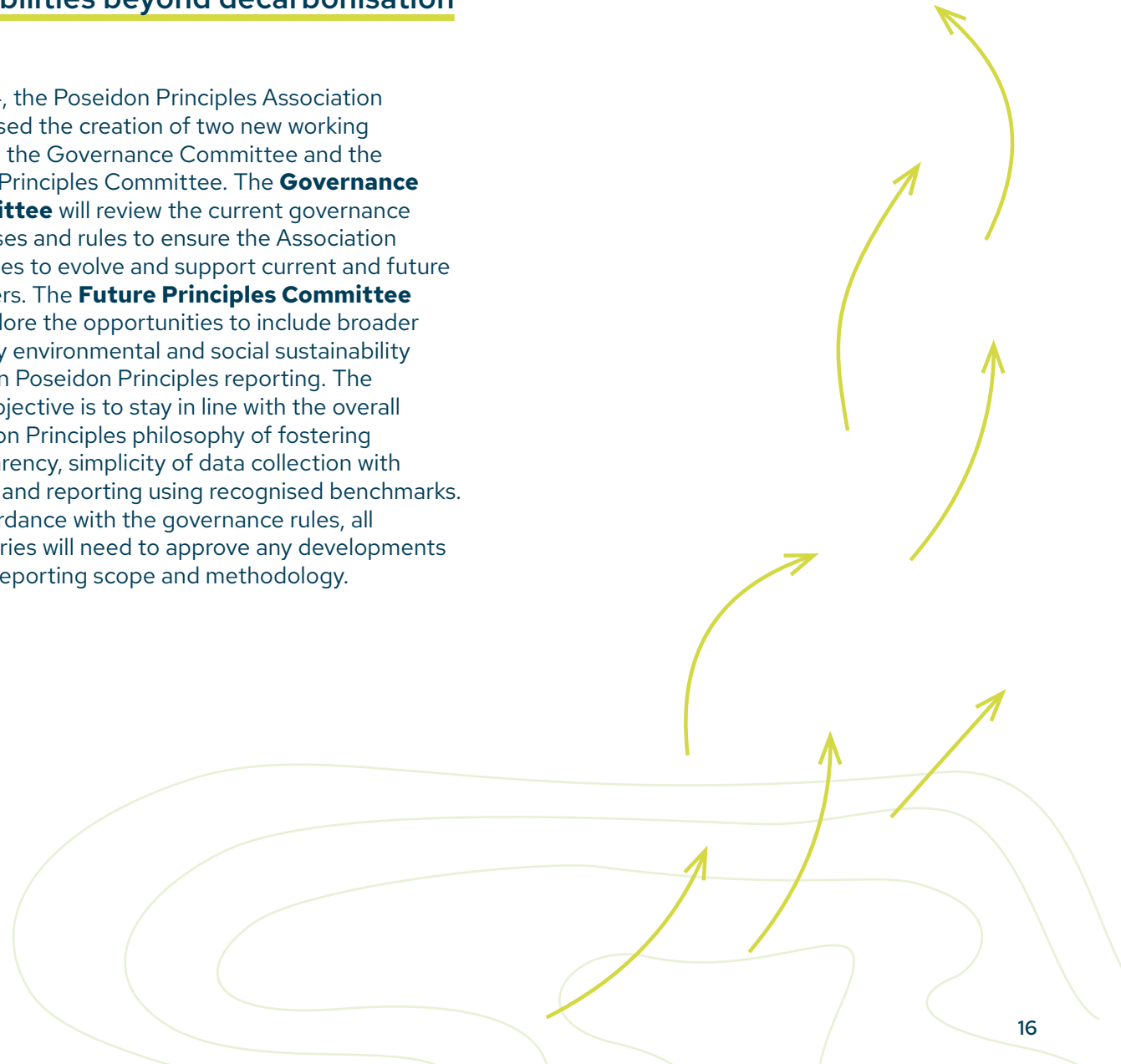
## Looking towards the next five years and beyond

The last five years have brought changes to methodology, membership, and ambition. The Poseidon Principles Association remains committed to staying at the forefront of transparent climate reporting using the most up-to-date climate science, so continued refinement of the trajectories and methodology is expected over the next five years and beyond.

The increased willingness to report since 2020 is especially commendable in light of the higher ambitions set by the IMO in 2023. This dedication to transparency must continue to expand, given the imperative to decarbonise. Therefore, one focus of the coming years is on expanding membership to ensure the continued robustness of the initiative. According to a recent study, the cost of decarbonising the international shipping fleet is estimated to be between \$8 and \$28 billion annually, with an additional \$28 to \$90 billion needed annually to develop the necessary clean fuel infrastructure. Much of this investment will need to be supplied by the private sector, further solidifying the pivotal role financial institutions play in reaching decarbonisation goals.

## Possibilities beyond decarbonisation

In 2024, the Poseidon Principles Association formalised the creation of two new working groups, the Governance Committee and the Future Principles Committee. The **Governance Committee** will review the current governance processes and rules to ensure the Association continues to evolve and support current and future members. The **Future Principles Committee** will explore the opportunities to include broader industry environmental and social sustainability issues in Poseidon Principles reporting. The main objective is to stay in line with the overall Poseidon Principles philosophy of fostering transparency, simplicity of data collection with clients, and reporting using recognised benchmarks. In accordance with the governance rules, all signatories will need to approve any developments to the reporting scope and methodology.





# 3. Climate alignment and decarbonisation trajectories

## Calculating climate alignment

Climate alignment measures the difference, as a percentage, between a vessel's actual emission intensity and the allowed emissions intensity as set by a given decarbonisation trajectory. Poseidon Principles signatories commit to reporting the climate alignment of their shipping portfolios each year through a climate alignment score. This score is made up of the individual climate alignment scores for each vessel in a signatory's shipping portfolio.

Calculating a vessel's actual emissions intensity uses the parameters of fuel consumption, distance travelled, and deadweight at maximum summer draught<sup>4</sup> (Figure 4). The Poseidon Principles uses the AER metric over others (like the Energy Efficiency Operational Indicator - EEOI) because the data needed to calculate AER is already collected by signatory clients in accordance with the requirements of the IMO DCS.

References to AER in the Poseidon Principles refer to a well-to-wake carbon equivalent emissions intensity metric rather than a tank-to-wake carbon intensity metric as defined by existing regulations.

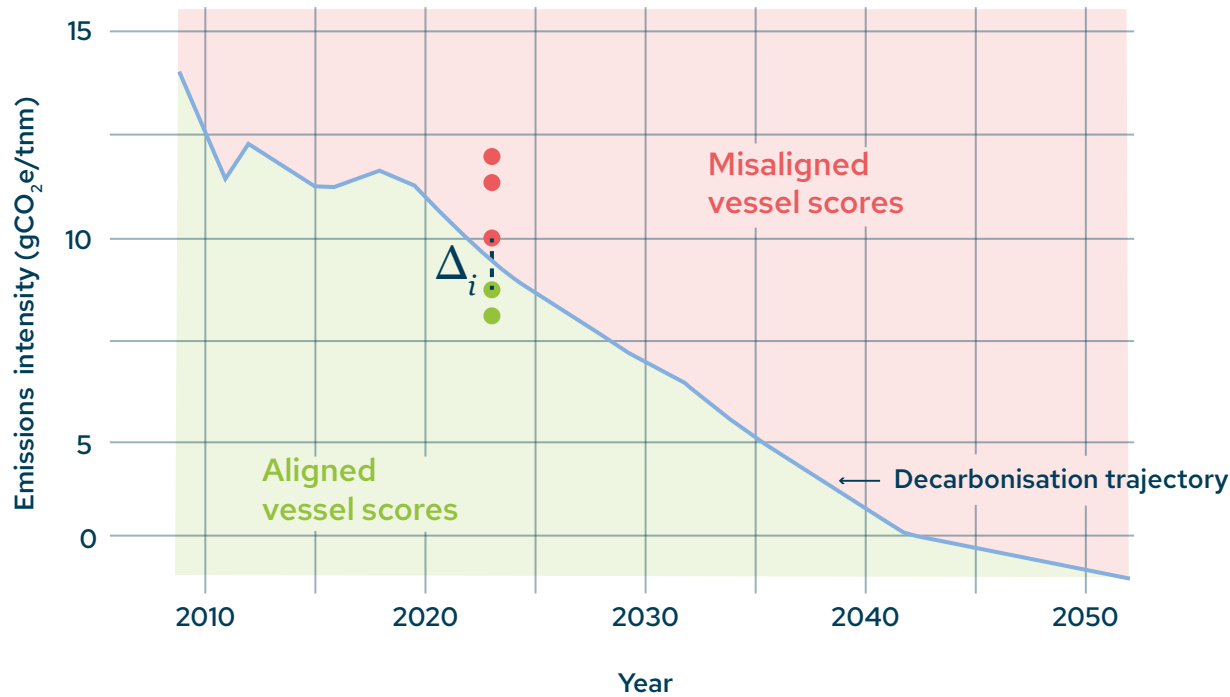
$$AER = \frac{\sum_i Ce_i}{\sum_i dwtD_i}$$

**Figure 4.**

The well-to-wake AER equation used by signatories when calculating climate alignment.  $Ce_i$  is the carbon equivalent emissions for voyage  $i$ ,  $dwt$  is the deadweight at maximum summer draught (or gross tonnage for those relevant vessel types), and  $D_i$  is the distance travelled on voyage  $i$ , meaning the units of measurement are  $gCO_2 e/dwt-nm$  or  $gCO_2 e/gt-nm$ .

<sup>4</sup> For cruise, ferry-RoPax, ferry pax-only and vehicle vessels, cgDIST is used to calculate actual emissions intensity, which uses gross tonnage in place of deadweight.





Once a signatory calculates the emissions intensity of a vessel in its portfolio, the AER value is compared to the required emissions intensity set by the associated decarbonisation trajectory, producing a vessel-level climate alignment score. Figure 5 shows a stylised depiction of a decarbonisation trajectory (blue line) and annual emissions intensity of five example vessels. Green dots represent vessels that are aligned, i.e., below, the decarbonisation trajectory. Red dots represent vessels that are misaligned, i.e., above, the decarbonisation trajectory. When all vessel scores within a portfolio are aggregated, the overall score represents how aligned the entire portfolio is to the decarbonisation trajectory.

**Figure 5.** Assessing climate alignment at the vessel level.



**What vessel types are included in Poseidon Principles reporting?**

The vessel types and resulting baselines used in the Poseidon Principles are based on the vessel type categorisation in the Fourth IMO GHG Study. The vessel types have also been grouped into “cargo” and “passenger” categories to enable the optional disclosure of only passenger or only cargo vessels, as seen in the table below.

Vessel type	Category
Bulk carrier	Cargo
Chemical tanker	Cargo
Liquefied gas tanker	Cargo
Oil tanker	Cargo
Container	Cargo
General cargo	Cargo
Cruise	Passenger
Ferry-RoPax	Passenger
Vehicle	Cargo
Roll-on/Roll-off (Ro-Ro)	Cargo
Ferry-pax only	Passenger
Refrigerated bulk	Cargo
Other liquids tankers	Cargo

**Figure 6.** Vessel types and associated “passenger” or “cargo” categorisation used in Poseidon Principles reporting.

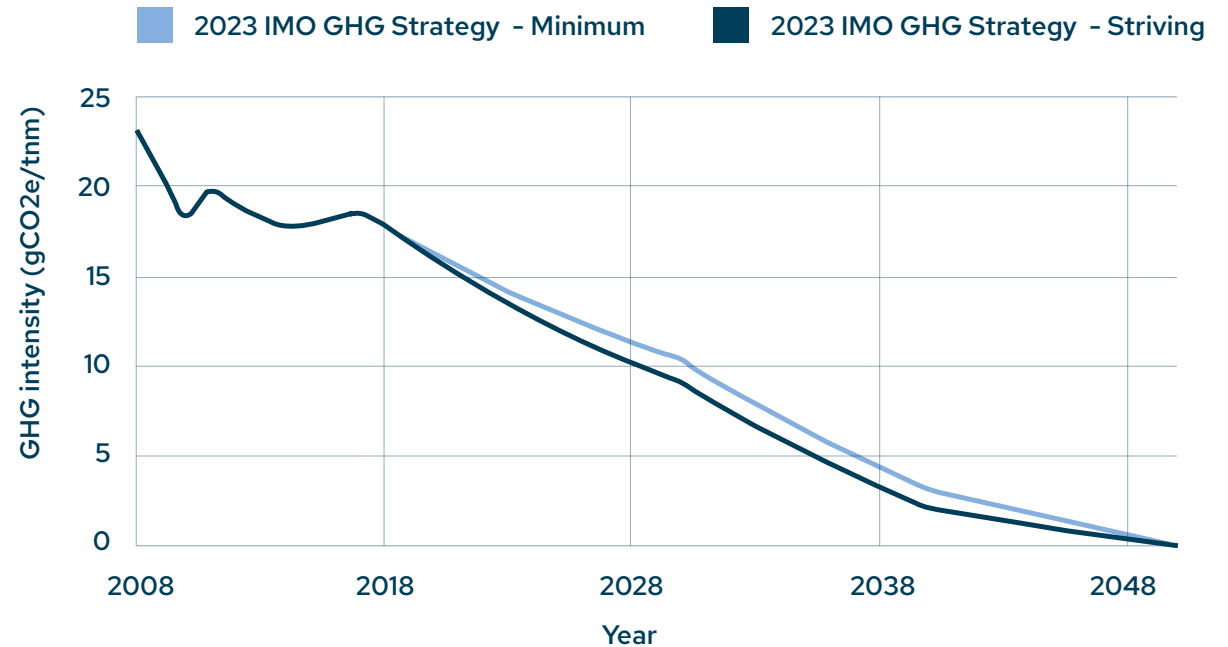
## Decarbonisation trajectories

Last year, Poseidon Principles signatories unanimously approved a significant revision of the framework for evaluating and reporting climate alignment to incorporate the **2023 IMO GHG Strategy** ambition of reaching net-zero emissions from international shipping “by or around” 2050, including two indicative GHG reduction checkpoints of 20% (striving for 30%) in 2030 and 70% (striving for 80%) in 2040.<sup>5</sup>

The new IMO ambition also included changing from a tank-to-wake CO<sub>2</sub> perspective to a well-to-wake CO<sub>2</sub>e perspective. This means emissions from upstream activities (e.g., extraction, cultivation, possessing, storage, and bunkering) are considered along with the emissions from the operation of a vessel. Additionally, instead of only considering carbon dioxide (CO<sub>2</sub>) emissions, other GHG emissions including methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) are measured and represented as a carbon dioxide equivalent (CO<sub>2</sub>e).

This resulted in the creation of two trajectories:

1. **2023 IMO GHG Strategy – Minimum**
2. **2023 IMO GHG Strategy – Striving**



**Figure 7.**

Global fleet emission intensity targets defined by the 2023 IMO GHG Strategy.

<sup>5</sup> When compared to the GHG levels emitted by international shipping in 2008.

## **Updates to the reporting methodology in 2024**

Throughout 2024, the Advisory and the Technical Committee worked to fine-tune the newly adopted trajectories and continuous emissions intensity baselines to incorporate learnings from last year's reporting period. This led to a few changes, including refining the list of well-to-wake emission factors based on work completed by the Sea Cargo Charter Advisory, a small change in the coefficients for determination used in the continued emissions intensity baseline for oil tankers under the minimum trajectory of the 2023 IMO GHG Strategy, and a major update to the required emissions intensity continuous baselines for passenger and vehicle trajectories. These updates resulted in the publication of a Technical Guidance version 5.1 in June 2024, which was used by all signatories for this report.

## **Refinement of passenger and vehicle trajectories**

Due to the concerning high climate alignment scores for these segments, an internal review and external consultation of calculations and data inputs was done in early 2024. This brought to light a calculation error in the development of the passenger and vehicle trajectories that were used in last year's Annual Disclosure Report, published in December 2023. It's important to note that due to the agreed-upon reporting timeline, the issue was not discovered until after the publication of the Annual Disclosure Report 2023.

This miscalculation came during the conversion of the absolute emission trajectories, as defined by the 2023 IMO Revised GHG Strategy, to emissions intensity trajectories and resulted in a trajectory that was more stringent than it should have been. New trajectories, which corrected the error, were created in the spring of 2024 and adopted by all members at the 2024 Annual Meeting. This update affected the cruise, ferry-RoPax, vehicle, and ferry-pax only trajectories only. The update did not change the overall theory of the methodology or use a different source of benchmarking data for the establishment of the continuous baselines for these segments, but did result in changes to the coefficients of determination used for cruise, ferry-RoPax, vehicle, and ferry-pax only, as listed in Tables 6 and 7 in the Technical Guidance. The new trajectories were also checked with anonymised data from about 30

vessels and resulted in around a 45% decrease in misalignment on average, which will be reflected in a significant improvement in the reported scores for passenger vessels this year.

## A note on well-to-wake emission factors

Well-to-wake emission factors are used in two instances within the Poseidon Principles framework: once in the definition of the overall emission budget and continuous baseline initial benchmark, and once in the conversion of collected data for annual reporting.

The 2023 IMO GHG Strategy establishes 2008 as the baseline year for emission reductions. However, the IMO only provides a tank-to-wake CO<sub>2</sub> figure in the [Third IMO GHG Study](#). This is also the case for the [2018 emissions intensity figures](#) that are used to calculate the initial benchmark for the continuous baselines relating emissions intensity to vessel size. During the development of the Poseidon Principles, a decision was made to determine a weighted conversion factor based on the historic fuel mix and emission factors derived from a [study by Lloyds Register and the Advisory, UMAS](#). This considers the technologies at the time and pre-2020 sulphur cap upstream emissions, which resulted in an uplift of around 17% from tank-to-wake CO<sub>2</sub> to well-to-wake CO<sub>2</sub>e. This conversion factor was applied to the 2008 emissions budget and the 2018 continuous baseline benchmark.

Poseidon Principles signatories use well-to-wake emission factors to convert the data they receive from their clients to a well-to-wake perspective (available in the Technical Guidance). The set of well-to-wake emission factors used in 2023 and 2024 are based on the IMO's [2024 Guidelines on Life Cycle GHG Intensity of Marine Fuels](#) (2024 LCA Guidelines). The FuelEU Maritime regulation is used to fill in any missing values. These emission factors result in a weighted uplift of around 23% from tank-to-wake CO<sub>2</sub> to well-to-wake CO<sub>2</sub>e based on the same fuel mix assumption, making alignment more challenging.

This observation has been communicated to all signatories, and the Association decided not to make any adjustments to methodology until the IMO publishes more complete LCA Guidelines and provides a definitive well-to-wake emissions intensity value for the 2008 baseline emissions budget and comparable emissions intensity benchmarks for 2018. The difference should also be considered in light of the switch to very low sulphur heavy fuel oil in 2020, which brought an increase of around 3% to well-to-wake emissions when compared to regular heavy fuel oil due to the increased upstream emissions attributed to the removal of sulphur. The impact of this will largely depend on the fuel mix in each signatory portfolio. The topic will continue to be explored by the Technical Committee and the Advisory to determine the most appropriate way forward.



## Future considerations

As the Poseidon Principles Association continues to grow, it is committed to remaining at the forefront of transparency and decarbonisation in the maritime sector while continuously improving its reporting methodology with the support of its Advisory and Technical Committee. This implies remaining up to date with global evidence and revising the methodology as needed to ensure that the Poseidon Principles continue to be a reputable and useful tool for public disclosure that supports the IMO's climate ambitions and the ongoing decarbonisation work of signatories and their clients.

One update under consideration to be approved by all members includes splitting the liquefied gas tanker trajectory into two distinct trajectories, one representing liquefied natural gas (LNG) tankers and one representing liquefied petroleum gas (LPG) tankers, due to the material difference seen in these vessels. Other considerations include continued refinement of the scope and vessel categories, particularly cruise, and a possible updates to emission factors pending the outcome of further IMO work on LCA Guidelines. In addition, the impact of the Fifth IMO GHG Study on methodology will be assessed once published.



## 4. Reporting results

The following results encompass the climate alignment scores of 35 signatories based on data from 2023, with an increase of five signatories over last year's report. These five additional signatories include four who joined in the fall of 2023 and one who joined in early 2024.

This report marks the third year in which signatories disclosed the proportion of their activity included in the climate alignment assessment, known as the reporting percentage. The simple (unweighted) average proportion of activity reported across the 35 signatories was 93.3%, with 28 signatories achieving a reporting rate of 90% or above and eight achieving 100%.

Last year, 26 of 30 signatories achieved a reporting rate of 90% or above, five achieved 100%, and the simple average proportion of activity reported was 95.4%. While the average this year is slightly lower, this is still viewed as an improvement due to the increasing number of signatories reaching between 90% and 100% of data collection. In addition, five signatories reported for the first time this year, compared to only two last year. As such, the reporting percentages are expected to continue to increase.



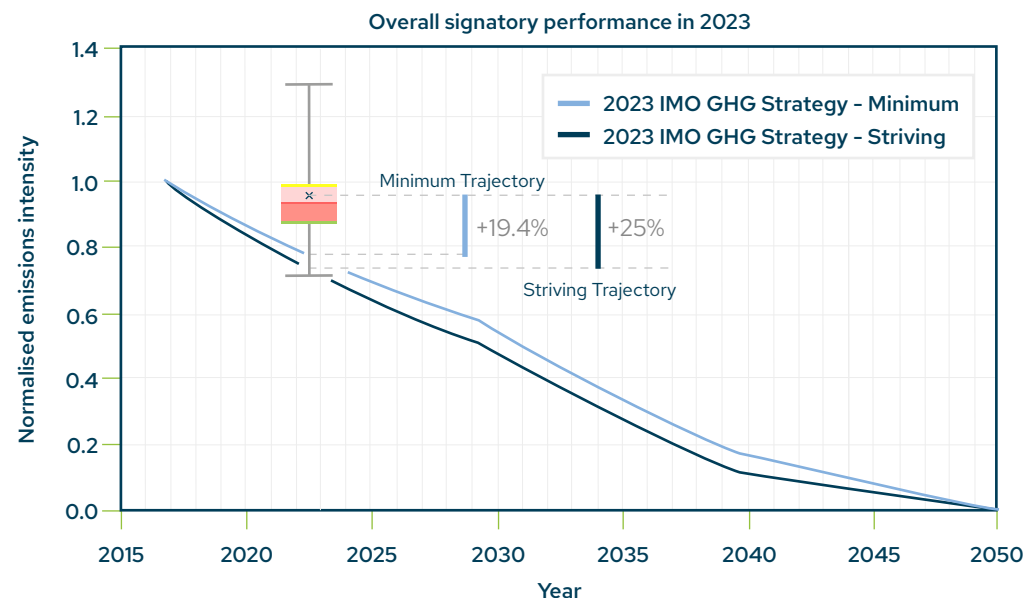
## Continued benchmarking against IMO ambitions

For the second straight year, signatories disclosed their climate alignment scores against trajectories aligned with the revised IMO net-zero by or around 2050 goal in a well-to-wake CO<sub>2</sub>e perspective. Last year, signatories also calculated their climate alignment scores against the initial 2018 IMO ambition for the sake of continuity. However, this year signatories only calculated climate alignment against the two 2023 IMO GHG Strategy trajectories (minimum and striving) and continue to show support for the increased ambition.

As shown in Figures 8 and 9, the **average climate alignment scores are +19.4% for the minimum and +25% for the striving trajectory**, with scores ranging from -8% to +61.5% (minimum) and -3.5% to +69.4% (striving). The data demonstrates notable improvements across categories compared to last year, including reduced misalignments and narrower ranges of scores in key areas. The significant improvement in alignment scores for passenger vessels is, in part, due to the corrections that were made to the trajectories for passenger vessels since last year's disclosure report. Corrections were made to all passenger vessel trajectories as well as the trajectory for vehicle carriers and, in general, resulted in a less stringent benchmark than was used in the previous year. Improved scores against these updated trajectories are also a factor in the observed progress in overall alignment scores in

**Figure 8.**

Overall Poseidon Principles signatories' performance in 2023 against the 2023 IMO GHG Strategy. The box plot illustrates the performance of all signatories' portfolios in 2023 relative to trajectories consistent with the 2023 IMO GHG Strategy based on their overall climate alignment scores. The mean (average) overall climate alignment scores against the minimum and striving trajectories are illustrated.



	2023 IMO GHG Strategy - Minimum		2023 IMO GHG Strategy - Striving	
<b>Trajectory</b>				
<b>Average climate alignment scores (2024 report)</b>	+19.4%		+25%	
<b>Average climate alignment scores (2023 report)</b>	+27.2%		+32.1%	
<b>Range (2024 report)</b>	-8% to +61.5% with eight reporting a score of +10% or less		-3.5% to +69.4% with four reporting a score of +10% or less	
<b>Range (2023 report)</b>	-6.8% to +82.7% with three reporting a score of +10% or less		-3.3% to +92.8% with two reporting a score of +10% or less	
<b>Segments</b>	<b>Passenger vessels</b>	<b>Cargo vessels</b>	<b>Passenger vessels</b>	<b>Cargo vessels</b>
<b>Average climate alignment scores (2024 report)</b>	+38.3%	+13.9%	+45.1%	+19.4%
<b>Average climate alignment scores (2023 report)</b>	+64%	+20.6%	+70.4%	+25.1%
<b>Range (2024 report)</b>	-22.9% to +67.9%	+2.8% to +39.9%	-19.1% to +76.1%	+7.8% to +46.7%
<b>Range (2023 report)</b>	-18.2% to +92.2%	+6.7% to +51.1%	-15.1% to +99.4%	+10.7% to +56.7%

**Figure 9.**

Summary of the averages and ranges of climate alignment scores from this 2024 report (which displays data from 2023) and last year's 2023 report (which displays data from 2022), all against the latest IMO ambition.



the past year and will have had the greatest impact for signatories with portfolios containing higher proportions of these vessel types. The following two sections provide more detailed insight, along with a comparison to the scores reported last year on data from 2022.

### Results against the 2023 IMO GHG Strategy – Minimum trajectory

The simple average climate alignment score relative to the 2023 IMO GHG Strategy - Minimum trajectory is +19.4%. This indicates that, **on average, climate alignment scores are +19.4% above the minimum ambition of the IMO** (to reduce GHG emissions from international shipping by 20% in 2030, 70% in 2040, and reach net zero by or around 2050). Scores ranged from -8% to +61.5%, with eight of 35 signatories disclosing a score of +10% or lower. As shown in figure 9, the average climate alignment score improved by 7.8 percentage points, and the reduced range of scores indicates more consistency. The increased number of signatories reporting a score of less than +10% also supports the notion that, while overall scores are misaligned, they have gotten closer to alignment with the minimum ambition.

This year, 22 signatories chose to disclose an additional climate alignment score against the minimum trajectory for **cargo vessels** in their portfolio. The simple average score was +13.9%, with a range of +2.8% to +39.9%. As shown in figure 9, the average climate alignment score improved

by 6.7 percentage points. The range of scores also narrowed, indicating less variability and increased progress in cargo performance.

An additional climate alignment score against the minimum trajectory for **passenger vessels** in scope was disclosed by 18 signatories. The simple average score was +38.3%, with a range of -22.9% to +67.9%. As shown in figure 9, the average climate alignment score improved by 25.7 percentage points. The reduced range of scores indicates less variability and increased progress in passenger performance. Note that some of the reduction in passenger vessel scores can be attributed to the correction made to the methodology in early 2024.

### Results against the 2023 IMO GHG Strategy – Striving trajectory

The simple average climate alignment score relative to the 2023 IMO GHG Strategy - Striving trajectory is +25%. This means that, **on average, climate alignment scores are +25% above the IMO's striving ambition** (to reduce GHG emissions from international shipping by 30% in 2030, 80% in 2040, and reach net zero by or around 2050). Scores ranged from -3.5% to +69.4%, with four signatories disclosing a score of 10% or below. As shown in figure 9, the average climate alignment score improved by 7 percentage points. As with the minimum trajectory, the reduced range of scores indicated more consistency. The slight increase in the number of signatories reporting a score of less than +10% supports the notion that, while overall

scores are misaligned, they have gotten closer to alignment with the striving ambition.

Twenty-two signatories disclosed an additional climate alignment score for **cargo vessels** in scope. The simple average score was +19.4%, with a range of +7.8% to +46.7%. As shown in figure 9, the average climate alignment score improved by 5.7 percentage points. As with the minimum trajectory, the range of scores also narrowed.

This year, 18 signatories chose to disclose an additional climate alignment score against the striving trajectory for **passenger vessels** in their portfolio. The simple average score was +45.1%, with a range of -19.1% to +76.1%. As shown in figure 9, the average climate alignment score improved by 25.3 percentage points. Similar to the minimum trajectory, the range of scores also decreased. Once again, note that some of the reduction in passenger vessel scores can be attributed to the correction made to the methodology in early 2024.

## Insights from the fifth year of disclosure

The climate alignment scores disclosed this year reflect a mixed but largely positive trend among signatories of the Poseidon Principles. One significant contribution came from the adjustment to passenger and vehicle ship trajectories as this recalibration provided a more accurate representation of emissions data, particularly for portfolios heavily reliant on these vessel types. In addition to the climate alignment scores, the written responses of signatories revealed four overall themes.

### 1. Climate alignment scores provide actionable insights.

The Poseidon Principles have become a foundational framework for ship financing, enabling the integration of decarbonisation targets into business strategy. Climate alignment scores provide signatories with valuable data, offering insights into areas for improvement and enabling targeted efforts in collaboration with their clients through fact-based evaluations of ship performance. The scores have continued to be used as a metric to track progress toward decarbonisation goals, with some signatories choosing to align their business strategies with the Poseidon

Principles trajectories. Reporting under the Poseidon Principles framework ensures transparency and accountability in assessing the environmental impact of shipping portfolios, which is crucial for sustainability assessments.

### 2. High reporting rates show that collaboration with clients is key.

Many signatories emphasise the importance of close collaboration with their shipping clients to drive decarbonisation. Signatories see their role as not just tracking emissions but actively supporting clients through financing solutions for retrofits, newbuilds, and energy-saving measures. Many signatories disclosed a reporting percentage at or close to 100%, underscoring the robust collaboration with clients and a deep understanding of the importance of transparent climate reporting. This transparency not only supported internal decision-making but also facilitated constructive dialogues on prioritising decarbonisation efforts. The collaborative nature of this engagement was frequently highlighted as a cornerstone of progress, enabling signatories to align their financing strategies with the Poseidon Principles' long-term goals.

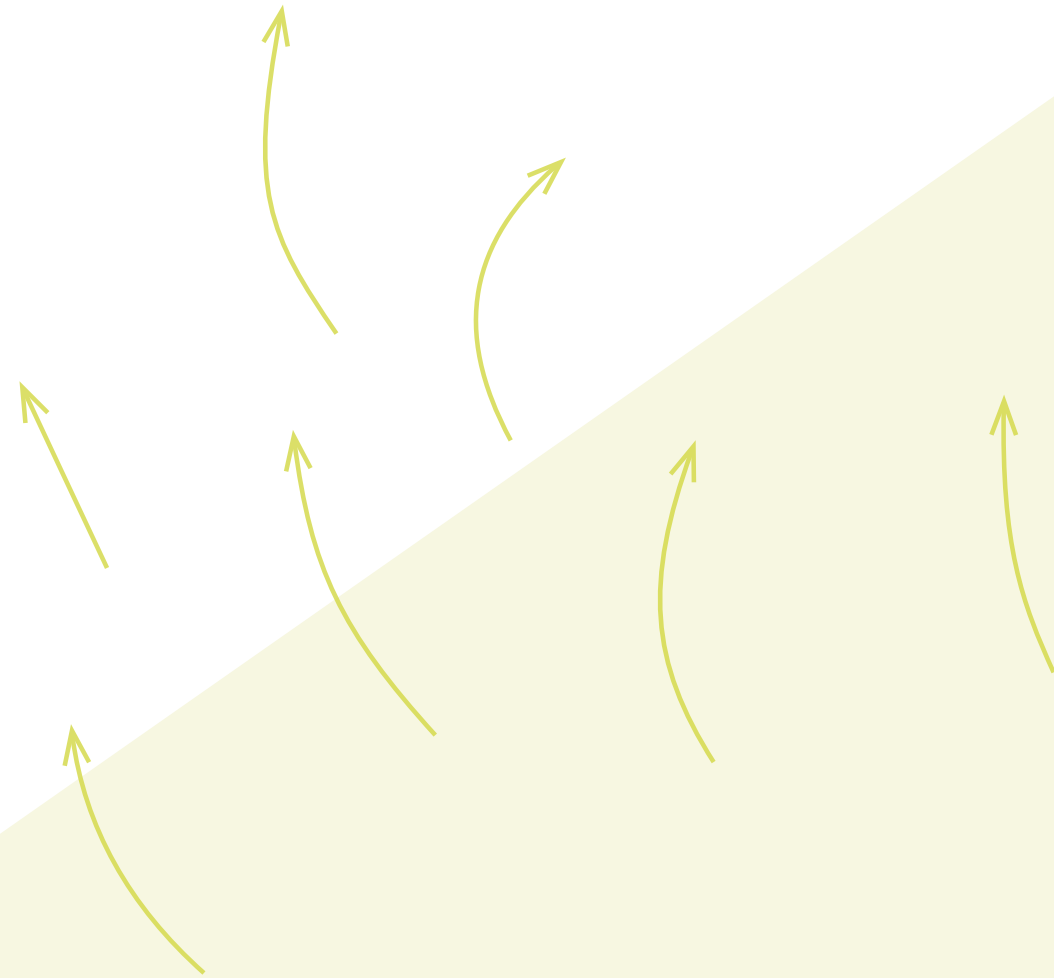
### 3. Improvements continue despite increasing complexity and ambition.

Despite increasingly stringent IMO decarbonisation trajectories, a recurring theme was an improvement in scores compared to previous years. This showcases the impact of targeted investments and enhanced reporting quality. The new methodologies and trajectories have introduced complexities in year-over-year comparisons, but signatories expressed a consistent effort to improve alignment scores. Positive trends are often attributed to new technologies, improved fuel efficiency, the deployment of new, more efficient vessels, and the use of biofuels alongside traditional fuels. Signatories are committed to working towards achieving the IMO's net zero by 2050 goal, though they acknowledge that significant challenges lie ahead. The implementation of regulations such as the Carbon Intensity Indicator and the EU Emissions Trading System is also seen as a current and future driver for further improvements in the coming years.

### 4. The type of vessels financed plays a significant role in alignment scores.

Fleet composition emerged as a primary driver of climate alignment outcomes. Signatories financing segments with higher emissions potential faced challenges in improving their scores, whereas those focused

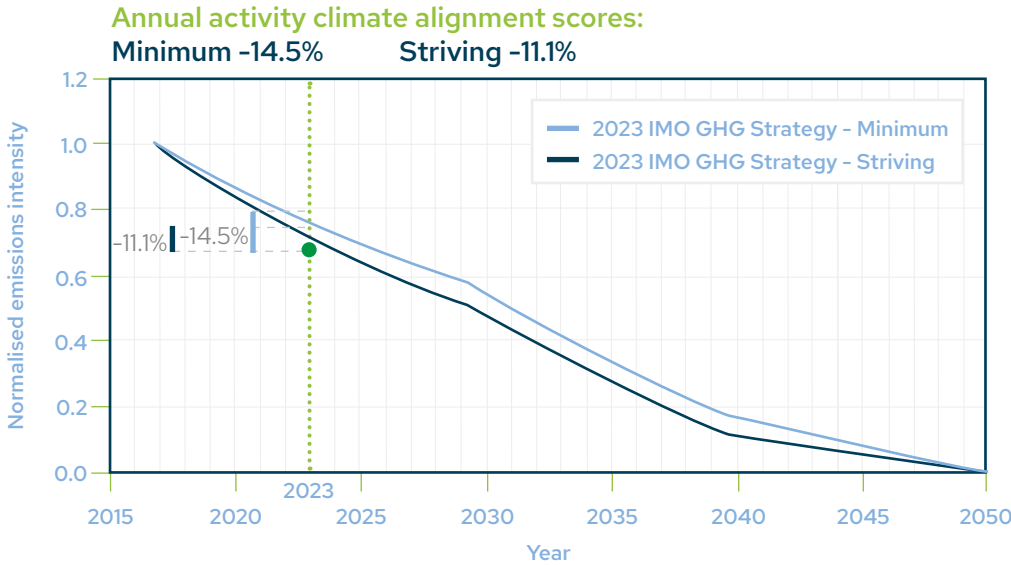
on cleaner technologies or more efficient vessel types reported better results. Specific vessel types, such as shuttle tankers and LNG bunkering vessels, are mentioned by some signatories as outliers that skew alignment scores due to their unique operational characteristics. LNG carriers were frequently mentioned as a double-edged sword, as signatories consider them a transitional solution to decarbonisation, but their impact on GHG emissions often hindered progress towards alignment. Market dynamics, such as fluctuations in freight activity and the pace of newbuild deliveries, also played a critical role in shaping outcomes. While there are ongoing efforts to replace older ships with more efficient and lower-emission models, signatories have also expressed interest in considering more sector-specific adjustments to the methodology, like correction factors for specific vessel types, to provide a more accurate reflection of operational realities.



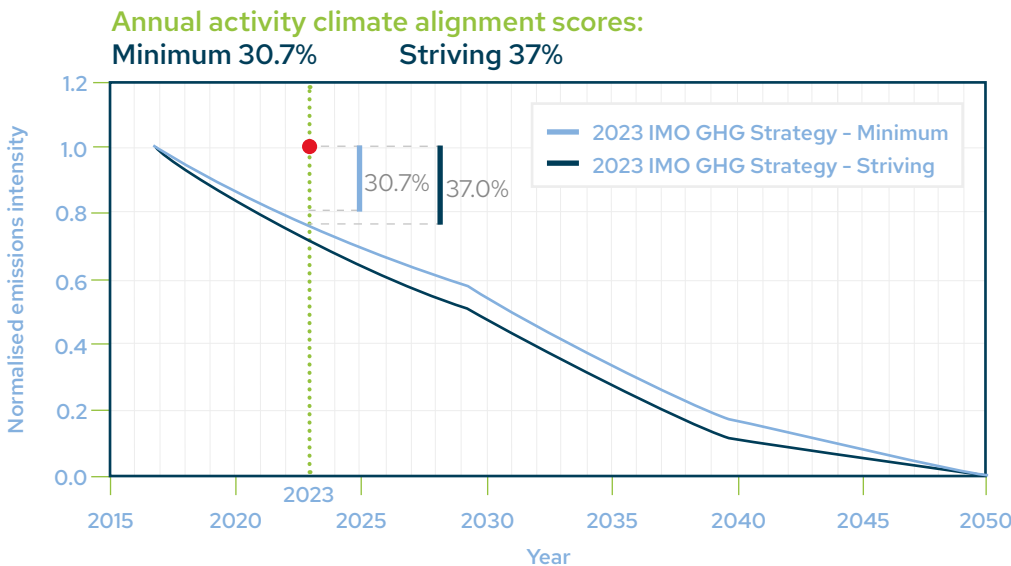
## Looking ahead

Despite uncertainties, many signatories expressed optimism for the future, along with satisfaction with their progress and the ongoing investments in more efficient vessels and new low-carbon technologies. Signatories acknowledged the need for continued innovation and adaptation to align with ambitious IMO targets. The use of sustainable financing, advisory services, and partnerships was seen as essential to maintaining momentum. Although challenges remain, particularly with certain vessel types and market uncertainties, there is a shared commitment to further improving scores and contributing to the global decarbonisation agenda. While the Poseidon Principles aligning with IMO targets support the sector's broader climate goals, there is a need for continued dialogue between banks, shipowners, and regulators to ensure that decarbonisation goals are met while considering the operational realities of the shipping industry. Overall, the climate alignment results signify meaningful progress and serve as a testament to the collective efforts of the shipping finance community to support the green transition.





**Figure 10.**  
 Example graph for a signatory with aligned climate alignment scores



**Figure 11.**  
 Example graph for a signatory with misaligned climate alignment scores



**How to read climate alignment scores**

The visual representation of climate alignment scores has changed since the last report. The lines in Figures 10 and 11 represent the emissions intensity trajectories required to align with their respective IMO ambitions (2023 IMO GHG Strategy Minimum and Striving) up to 2050. Emissions intensities are plotted on the y-axis and have been normalised against 2018 levels (with 1 indicating the emissions intensity in the base year 2018 and 0 indicating the emissions intensity required in 2050 to reach the IMO ambitions). The x-axis shows the timeline of the trajectories until 2050.

The red or green dot on the graph represents the performance of a signatory’s portfolio against the trajectories. The distance between this dot and the lines representing each trajectory shows the overall portfolio climate alignment score relative to each trajectory in the reporting year. The exact position of the point is determined by finding the two values generated when the normalised emissions intensity trajectory or the minimum and striving trajectories is increased or decreased (depending on if the signatory is misaligned or aligned) by the signatory’s alignment score relative to each respective trajectory. The exact position of the dot is taken as the average of these two values.

A positive overall portfolio climate alignment score, resulting in a red point above a trajectory, indicates the portfolio is misaligned with this trajectory. A negative or zero overall portfolio alignment score, resulting in a green dot on or below a trajectory, indicates the portfolio is aligned with that trajectory. Should a dot fall between the two trajectories, this would mean it is aligned with the minimum and misaligned with the striving trajectory.



# 5. Fulfilling the signatory requirements

→ <b>ABN AMRO Bank N.V.</b>	32	→ <b>Nordea Bank Abp</b>	50
→ <b>BNP Paribas</b>	33	→ <b>OCBC</b>	51
→ <b>Bpifrance Assurance Export</b>	34	→ <b>SACE</b>	52
→ <b>CaixaBank S.A.</b>	35	→ <b>SBI Shinsei Bank, Limited</b>	53
→ <b>Cassa Depositi e Prestiti</b>	36	→ <b>SEB</b>	54
→ <b>Citi</b>	37	→ <b>SMBC</b>	55
→ <b>Crédit Agricole CIB</b>	38	→ <b>Societe Generale</b>	56
→ <b>Crédit Industriel et Commercial (CIC)</b>	39	→ <b>SpareBank 1 Sør-Norge</b>	57
→ <b>Danish Ship Finance</b>	40	→ <b>Sparebanken Vest</b>	58
→ <b>Danske Bank</b>	41	→ <b>Standard Chartered Bank</b>	59
→ <b>DekaBank Deutsche Girozentrale</b>	42	→ <b>Sumitomo Mitsui Finance and Leasing Company, Limited</b>	60
→ <b>Development Bank of Japan Inc.</b>	43	→ <b>Sumitomo Mitsui Trust Bank, Limited</b>	61
→ <b>DNB</b>	44	→ <b>Swedbank</b>	62
→ <b>Export Finance Norway</b>	45	→ <b>THE CHUGOKU BANK, LTD.</b>	63
→ <b>Finnvera Oyj</b>	46	→ <b>THE HIROSHIMA BANK, LTD.</b>	64
→ <b>ING Bank N.V.</b>	47	→ <b>THE IYO BANK, LTD.</b>	65
→ <b>KfW IPEX-Bank</b>	48	→ <b>UBS AG</b>	66
→ <b>MUFG Bank</b>	49		

# ABN AMRO Bank N.V.



Signatory as of June 2019

Reporting percentage: 98.9%

## What are your key takeaways from your climate alignment score?

This year marks the fifth anniversary of our Poseidon Principles reporting, during which we have achieved an impressive reporting score of 98.9% across the financed fleet - a testament to the continued support of our clients. AMRO has a diversified shipping portfolio, balanced across the different vessel segments. While the switch from the Poseidon Principles Technical Guidance 5.0 used last year to the Technical Guidance 5.1 used this year did not significantly affect ABN AMRO's overall portfolio alignment for 2023, it did result in notable changes for some asset types. Therefore, we dive deeper into segments, sizes, and individual vessels in our assessments, to monitor progress and support our clients in their rapidly evolving, decarbonisation-related requirements.

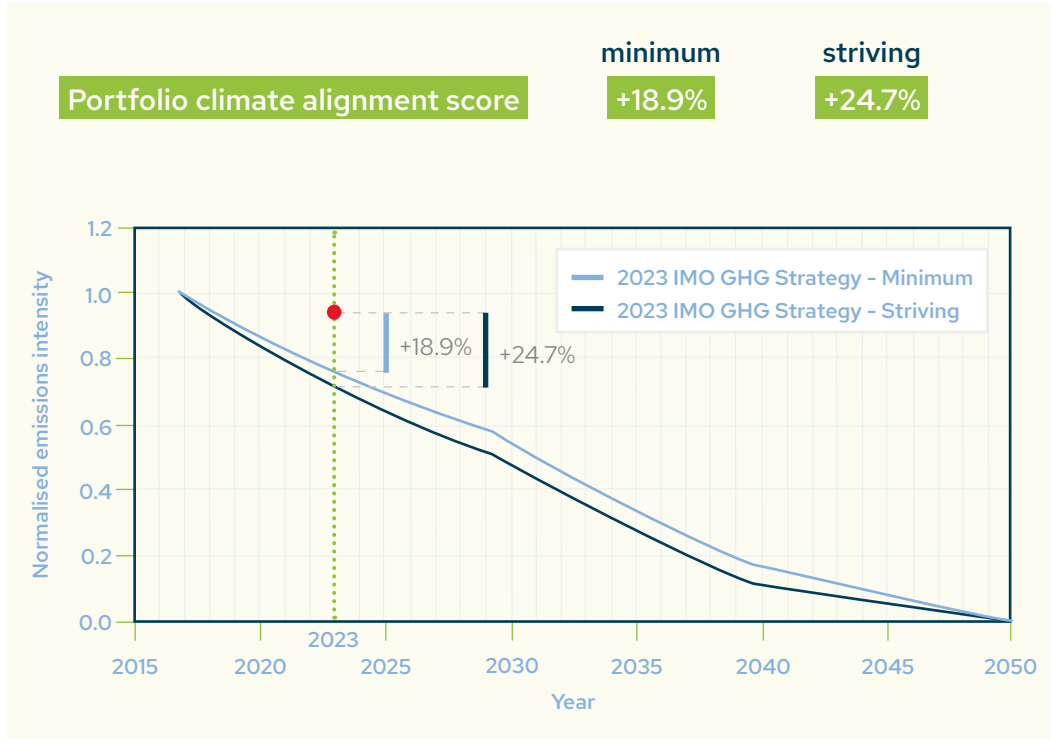
## How will the Poseidon Principles influence your business activities and decision-making in the future?

The Poseidon Principles have been a very helpful means to obtain actual fuel consumption and distance travelled data on the fleet we finance. We benchmark the actual AERs of existing vessels against various standards, including the Poseidon Principles trajectories. For newbuild vessel financing requests, we look at ship specifications and the inclusion of state-of-the-art decarbonisation technologies. We continue to support our clients in their energy transition efforts by financing efficiency and optimisation technologies, as well as newbuilds capable of operating on alternative fuels.



In line with our net-zero ambition in the shipping sector, ABN AMRO is committed to engaging with our clients to advance their transition to a sustainable future. By adapting our product offerings to activate decarbonisation levers across our financed portfolio, we strive to be at the forefront of financing the sustainable transition in shipping.

Anastassia Tcherneva, Head Shipping & Intermodal Clients





# BNP Paribas



Signatory as of December 2019

Reporting percentage: 96.1%

## What are your key takeaways from your climate alignment score?

The fleet composition is the key driver of the Poseidon Principles Portfolio climate alignment and stringent decarbonisation ambitions derived from IMO revised trajectories in 2023 overall keep impacting our score. Our portfolio has significant exposure in passenger vessels, a segment which shows consistently high climate misalignment over time and across banks.

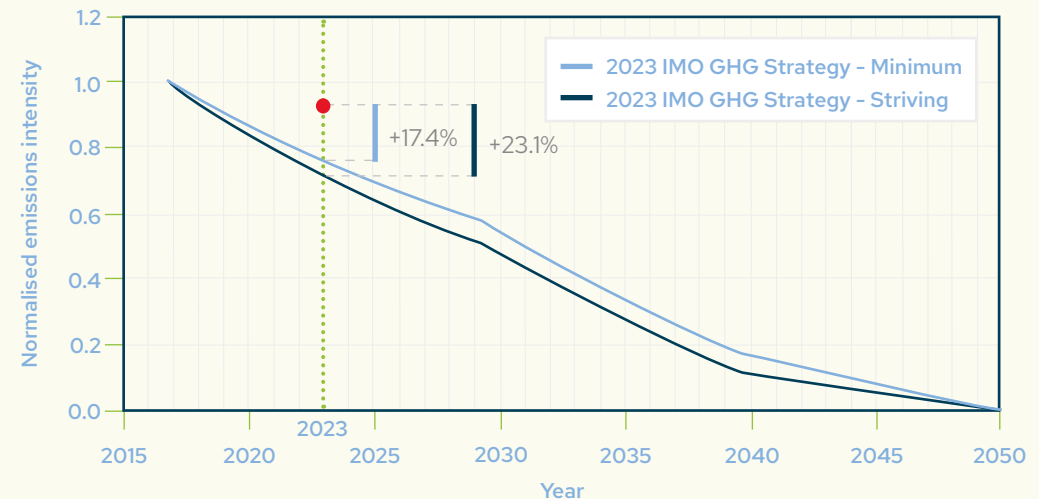
## How will the Poseidon Principles influence your business activities and decision-making in the future?

Carbon intensity metrics like AER remain crucial to monitor the carbon footprint of our ship financing business. The bank remains both ambitious and realistic in supporting the decarbonisation of the maritime industry, and decided in 2024 on setting reduction targets of its shipping portfolio to 2030, as part of BNPP commitment to Net Zero Banking Alliance.

During 2023, BNPP was active in supporting its shipping clients to reduce their carbon footprint by focusing on more energy-efficient/newbuild assets. The awareness level of BNPP on carbon intensity metrics has increased also thanks to its commitment to NZBA and resulting target-setting for hard to abate industries (o/w shipping target published in May 2024).

Vincent Pascal, Head of Shipping Origination EMEA

Portfolio climate alignment score	minimum	striving
Cargo vessels climate alignment score	+17.4%	+23.1%
Passenger vessels climate alignment score	+8.3%	+13.6%
Passenger vessels climate alignment score	+45.5%	+52.5%



# Bpifrance Assurance Export

Signatory as of January 2020

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

Albeit misaligned, our 2023 scores show an improvement in the climate alignment of our portfolio. However, we feel that the methodology for passenger vessels still fails to represent the overall performance of these ships, especially the largest ones.

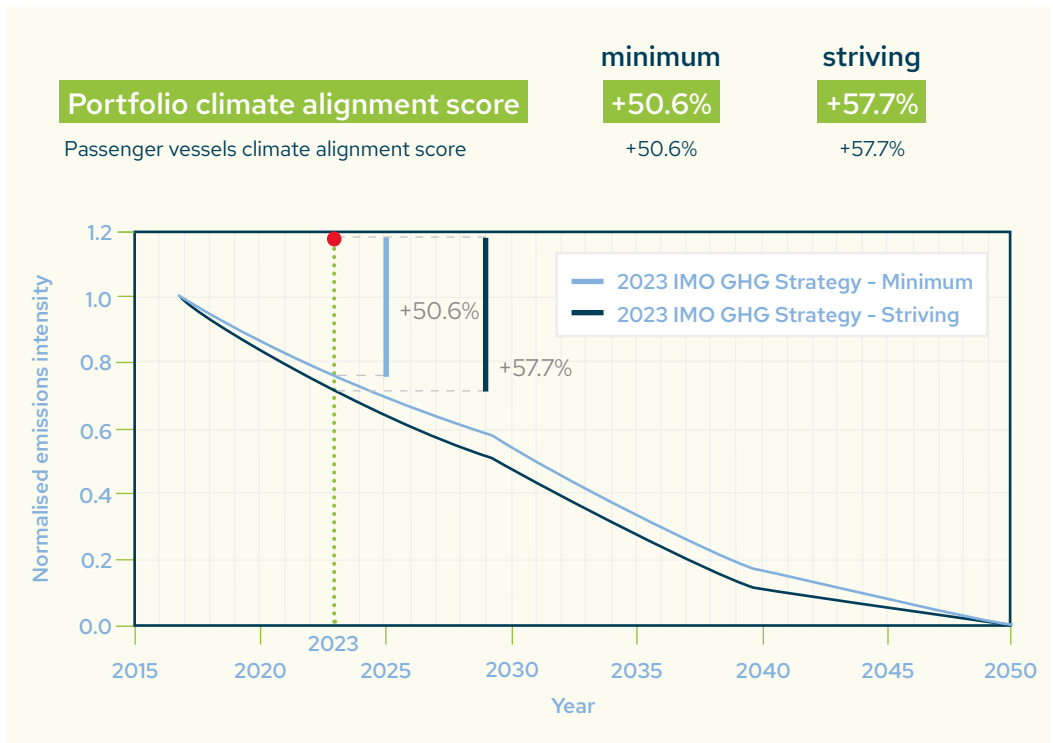
## How will the Poseidon Principles influence your business activities and decision-making in the future?

The Poseidon Principles have been a powerful tool for us to engage in discussions on the decarbonisation of the cruise sector and to continue to support the building and the financing of more energy efficient vessels.



Even though the scores against the new IMO trajectories demonstrate the importance of the challenges that lie ahead, the positive evolution of our score is encouraging and we must continue to support the long-term objective of decarbonising the maritime industry.

Denis Le Fers, General Manager of Bpifrance Assurance Export



# CaixaBank S.A.

Signatory as of June 2022

Reporting percentage: 99.3%



## What are your key takeaways from your climate alignment score?

We are glad to see that the actual GHG intensity of our portfolio reduced by about 17% compared to the previous year at a comparable fleet mix. Besides the improvement seen at individual vessels and focus on new efficient vessels, the fleet composition is the key driver of the Poseidon Principles Portfolio climate alignment. Our portfolio has significant exposure in the cruise segment and in high-speed crafts (falling into Poseidon Principles Ferry-RoPax), which show consistently high climate misalignment over time and across banks. If high-speed crafts would have their own trajectory (as under IMO CII), our misalignment would reduce to 29.7% (minimum) and 36.0% (striving). Cruise trajectories obviously do not reflect the actual GHG intensity of the world cruise fleet. Observing a clear trend over time is also difficult with trajectories changing several times since we reported the first time in 2023. With the switch from Technical Guidance 5.0 applied last year to Technical Guidance 5.1 applied this year, our 2023 portfolio climate alignment improved from +64.3% to +51.7% (minimum) and +70.3 to +57.3 (striving). Hence, we dive deeper into segments, sizes and individual vessels to monitor decarbonisation progress and support individual clients.

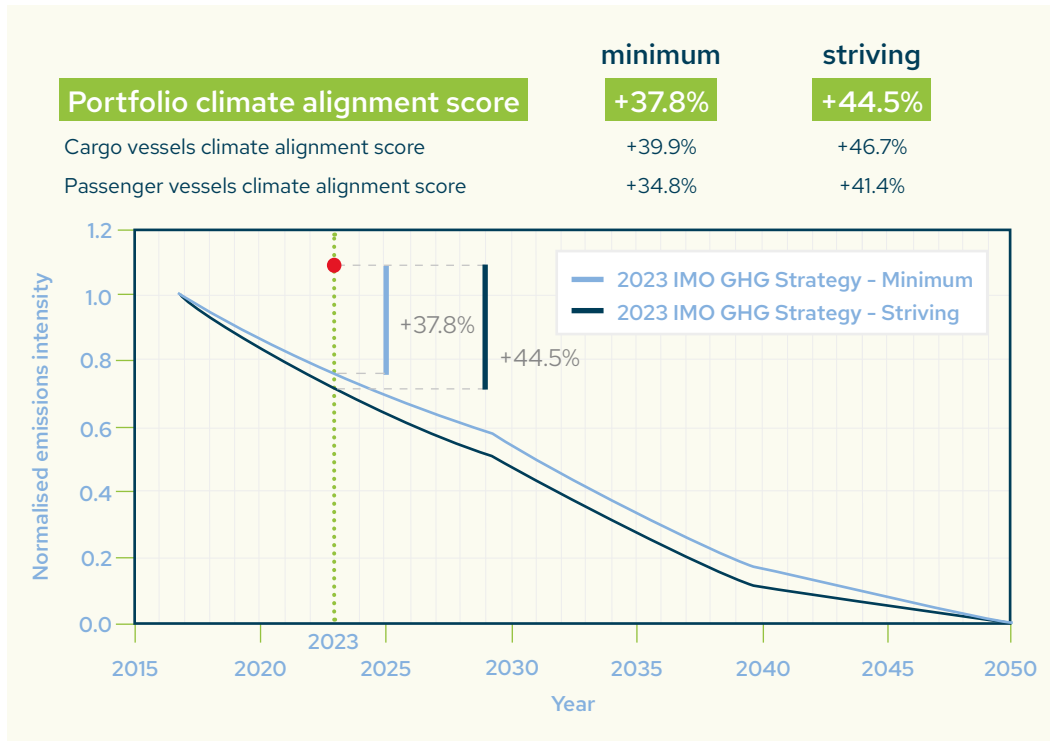
## How will the Poseidon Principles influence your business activities and decision-making in the future?

We are committed to supporting ship owners in their decarbonisation efforts and strive for Paris alignment of our maritime financing activities. The Poseidon Principles are a very helpful means to obtain actual consumption data on the fleet we finance. We closely look at the actual AERs of existing vessels, benchmark them against various standards, including the Poseidon Principles trajectories, and engage in dialogues with ship owners to support their decarbonisation journeys. This also applies for new financing inquiries, where we look at vessel specifications and presumable AERs. We trust that existing challenges with Poseidon Principles trajectories (e.g., cruise, high-speed crafts, etc.) will be overcome shortly to maintain the relevance of the Poseidon Principles as a global industry standard.



Following our commitment to the Poseidon Principles, we managed to improve the GHG intensity of our portfolio significantly. Reduction rates are steeper than rates applied by IMO CII and the Poseidon Principles. We aim at continuing this successful track.

Roger Torrellal, Executive Dto. Asset Finance





# Cassa Depositi e Prestiti

Signatory as of October 2023

Reporting percentage: 87.0%

## What are your key takeaways from your climate alignment score?

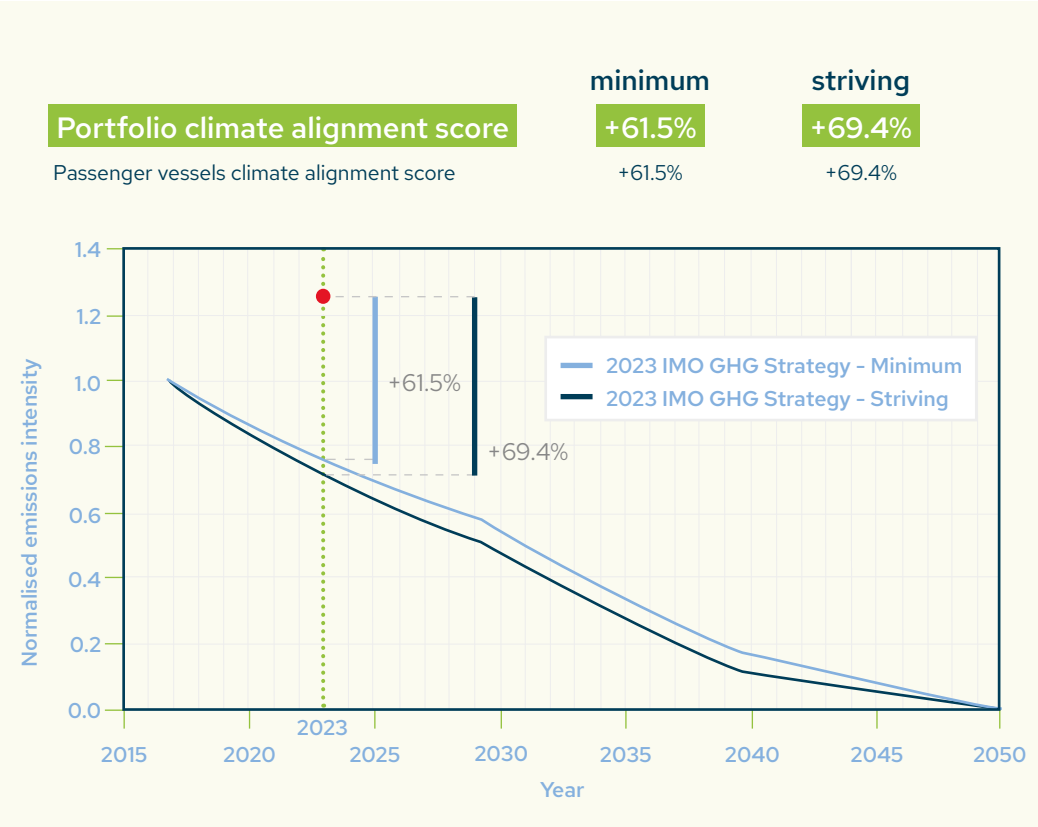
We are delighted to present our first climate alignment score according to the decarbonisation trajectories suggested by the Poseidon Principles. Our observations focus exclusively on cruise ships, with the climate alignment score ranging from 61% in the minimum strategy to 69% in the striving one. While many cases align closely with the optimal path, a few outliers have affected the overall climate alignment of the portfolio. However, this limited misalignment is encouraging for the future due to several factors: (i) the expected renewal of the portfolio with more sustainable ships over time; (ii) CDP's increasing focus on ESG issues, and (iii) the calculation reflecting the latest, more stringent targets set by the IMO for the maritime sector.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

Joining the Poseidon Principles has enabled CDP to enhance its engagement with shipowners and shipbuilders on environmental issues and to support them in their decarbonisation efforts. CDP's medium-term objective is, in fact, to stimulate a rapid transition towards a low-carbon maritime transport model, facilitating the transition towards cleaner technologies and alternative fuels. We will continue to integrate insights from Poseidon Principles reporting into our decision-making processes to ensure that our portfolio aligns with relevant decarbonisation trajectories over time. Through this initiative, we aim to further contribute to the international climate neutrality goals of the maritime sector, in line with our Transport Sector policy, which aims to facilitate the adoption of cleaner technologies and alternative fuels.

A year ago, CDP joined the Poseidon Principles, marking a further step towards our goal of actively contributing to the decarbonisation of the shipping sector. We have mobilised significant resources to support the Italian shipbuilding industry abroad, promoting the export of Italian advanced technologies. We remain committed to accelerating the energy transition, leveraging our 'transport policy' and the excellence of our country's shipbuilding industry which is globally recognised for its leadership in green technologies. Going forward, we will continue to monitor not only the aggregate impact of emissions but also the positive outcomes generated by our ship portfolio. Our goal is to reduce our climate alignment score in the medium term, fully in line with the Poseidon Principles.

Rosina Andreoli, Head of the Export Finance





Signatory as of June 2019

Reporting percentage: 97.2%

**What are your key takeaways from your climate alignment score?**

Citi is pleased to report our alignment score for 2023, which has resulted in an improvement versus our 2022 score supported through the industry focus on improving efficiency and our continued partnership with our clients. Utilising the original IMO initial GHG strategy target, also presents an overall improvement in Citi’s score of -4.3% over the last four years. As the calculation methodology continues to evolve the impact of key parts of the Citi portfolio has improved our score, especially for the passenger vessels. Further developments of the passenger methodology is expected in the next couple of years as constructive discussions with the IMO concerning the passenger methodology are ongoing. As the increase in new-build activity ramps up over the next few years, we anticipate the financing requirements for these new vessels will support further improvements in our score.

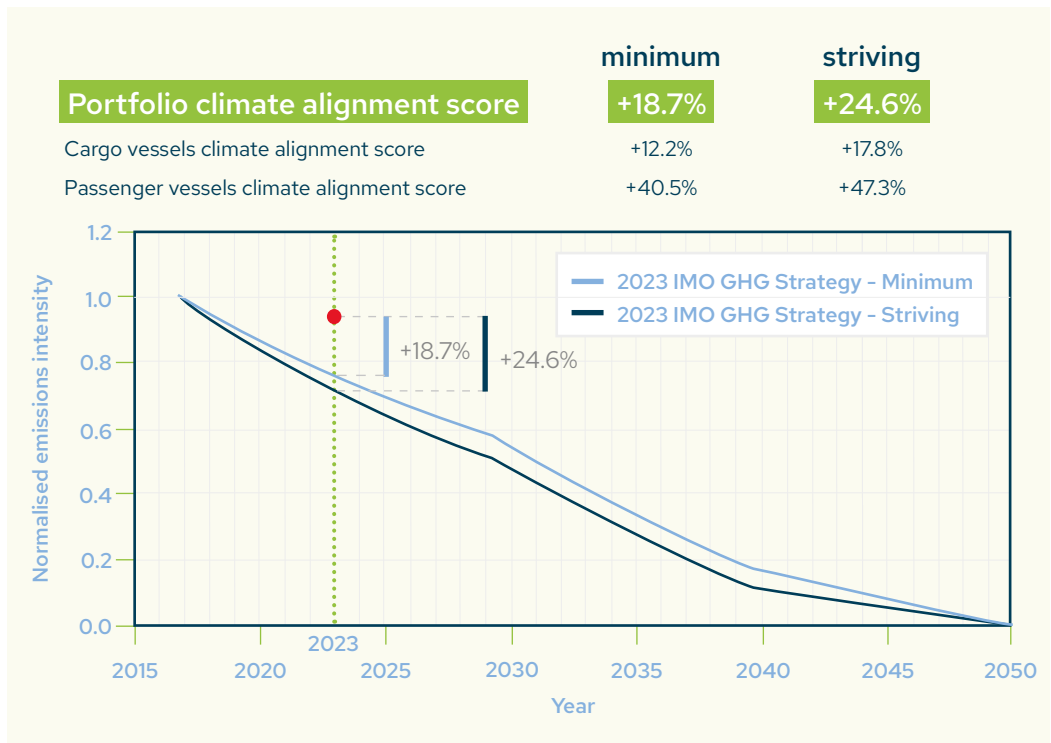
**How will the Poseidon Principles influence your business activities and decision-making in the future?**

Citi continues to remain engaged with our clients and regulators. As the data available to the industry has improved over the last couple of years, the methodology has continued to evolve. The IMO is continuing to develop the official methodology and further improvements are expected post the completion of the 5th GHG study, which will support the official ambition set by the IMO by 2028 that is widely expected to align with the global Paris 2050 Net Zero targets. We continue to remain focussed on ensuring a consistent approach is taken across the industry in order to support our clients in managing their existing fleets and new vessel orders.

[Link](#) to institutional report.

// In this 5th year of our reporting it is important to note that on the original methodology our 2023 portfolio was well aligned with the IMO’s 2018 ambition at -4.3%. The improved scores for both cargo and passenger for 2023 vs 2022 are a result of both updated trajectories and continued efficiency in our clients’ operations. The IMO process through its MEPC meetings next April and October to execute against its revised decarbonisation ambition is crucial to catalysing the significant investment in new fuels and vessels that will be triggered if the IMO agrees on fuel emissions factors, a pricing mechanism (levy) and the process of distribution of the substantial funds that result. A pathway for the industry to align with the Paris agreement in 2028 is clear but getting there will be a challenge in the early years. Progress on civil nuclear maritime continues with the IMO and IAEA working together to update existing regulations; this is key to the production of synthetic fuels and eventual building of nuclear propulsion on certain types of vessels. In the meantime, greater transparency and emissions reduction are the priority.

Michael Parker, Chairman of Citi Global Shipping, Logistics & Offshore



# Crédit Agricole CIB



Signatory as of June 2019

Reporting percentage: 98.7%

## What are your key takeaways from your climate alignment score?

Our alignment scores, both on the cargo and passenger segments, are gradually improving from one year to the other, as we keep a steady course towards the challenging targets we set ourselves for 2030 and 2050.

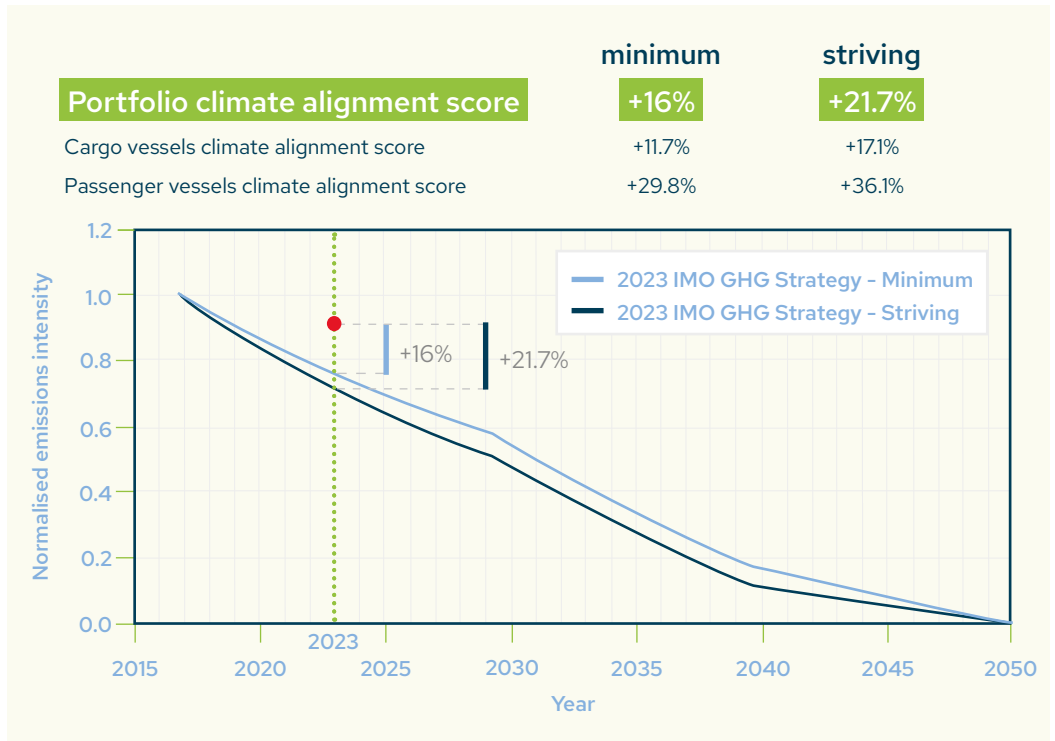
## How will the Poseidon Principles influence your business activities and decision-making in the future?

As a client-centric, leading ship financing bank, we are both engaging and supporting our shipping customers in their decarbonisation strategies and will continue to use the Poseidon Principles as one of our guiding principles.



Decarbonising shipping was always going to be a complex, challenging task. Our 2023 results, and the support we get from (and provide to) our clients, are encouraging. Let's keep up the good work.

Thibaud Escoffier, Global Head of Ship Finance



# Crédit Industriel et Commercial (CIC)



Signatory as of November 2019

Reporting percentage: 92.2%

## What are your key takeaways from your climate alignment score?

LNG bunkering vessels may present a similar issue as shuttle tankers. Depending on their usage, they could have a huge impact on the alignment score. This year, one vessel accounts for +8.68% (vs Minimum) & +9% (vs Striving). Without her, our score would have been +5.5% (Minimum) & +10.71% (Striving).

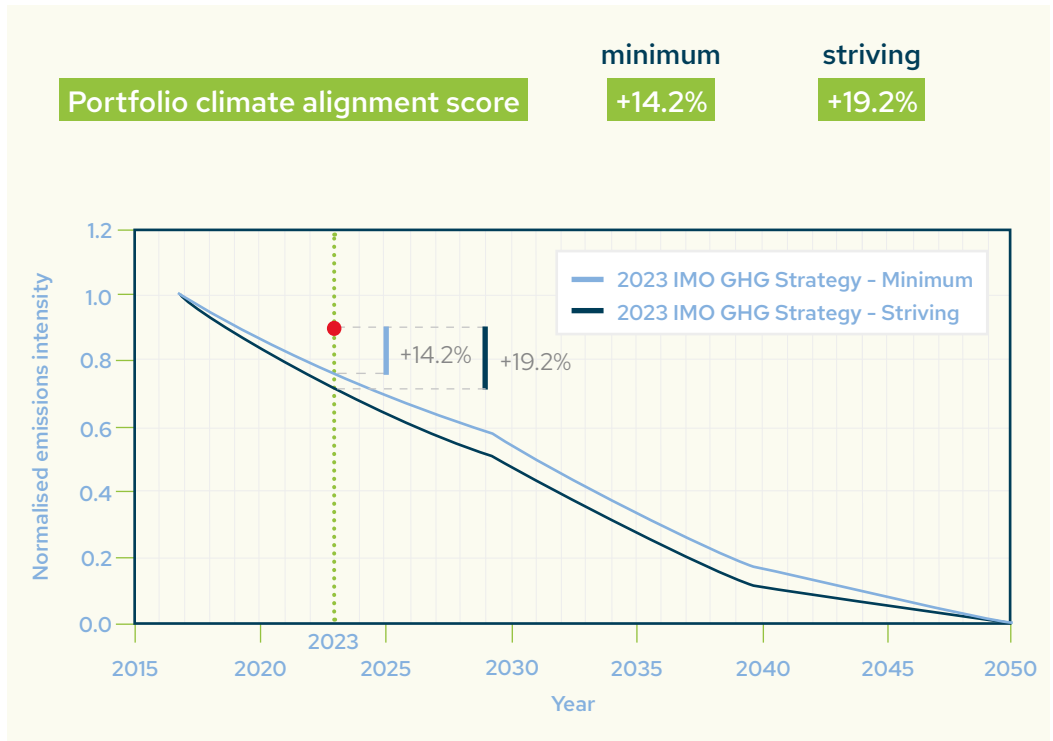
## How will the Poseidon Principles influence your business activities and decision-making in the future?

We are trying to build a forecast tool to assess the impact of current and future vessels on our portfolio trajectories & NZBA commitments.



**We note a great improvement in operational efficiency from our clients with a continuous deployment of new vessel technologies.**

Stéphane Bisiaux-Outeiral, Head of Asset Finance Portfolio Risk Management



## Danish Ship Finance

Signatory as of June 2019

Reporting percentage: 95.8%

### What are your key takeaways from your climate alignment score?

Our portfolio’s climate alignment score has experienced a modest increase compared to last year. This was largely influenced by stricter alignment trajectories consistent with the IMO’s revised GHG strategy and changes within our portfolio composition. While we are encouraged by the industry’s positive direction, we recognise that significant efforts remain to fully decarbonise the shipping sector. We continue to actively collaborate and engage in meaningful dialogue with our clients to support their decarbonisation journeys in shipping and play a key role in financing the transition.

### How will the Poseidon Principles influence your business activities and decision-making in the future?

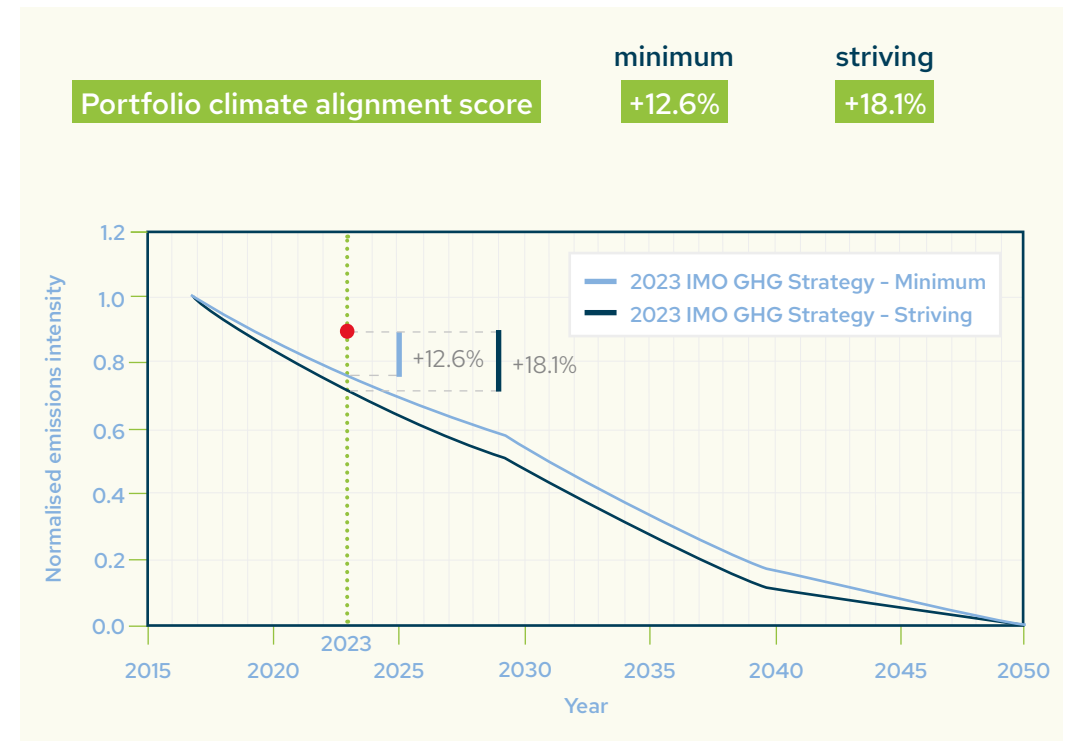
As a founding signatory of the Poseidon Principles initiative, we put effort into embedding these standards within our business activities and decision-making processes. The Poseidon Principles framework has provided valuable, data-driven insights into the environmental performance of our shipping portfolio, helping us to sharpen and enhance the internal sustainability assessments of our clients. Leveraging this data has led to more concrete actions, such as including emission-linked incentives in new loan agreements that align with the ambitious decarbonisation targets set by the Poseidon Principles. This commitment exemplifies how we integrate environmental factors directly into our financial decisions and actively finance the transition.

[Link](#) to institutional report.



Although our portfolio climate alignment score shows a modest increase compared to last year, we are pleased to see the high level of commitment and contribution from our clients. We continue to work actively with our clients to reduce their climate impact and play a key role in financing the transition.

Christopher Rex, Head of Sustainability & Research





# Danske Bank



Signatory as of June 2019

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

We are pleased to see that we have been able to improve the alignment scores in the second reporting using the IMO revised targets. As previous years, we see that a limited number of vessels are impacting the results. For example, when using the CII correction factor on our fleet of financed shuttle tankers (8% of the vessels in Poseidon Principles-scope), the (mis)alignment is reduced by approximately 50% to 9.0% (Minimum) and 14.3% (Striving).

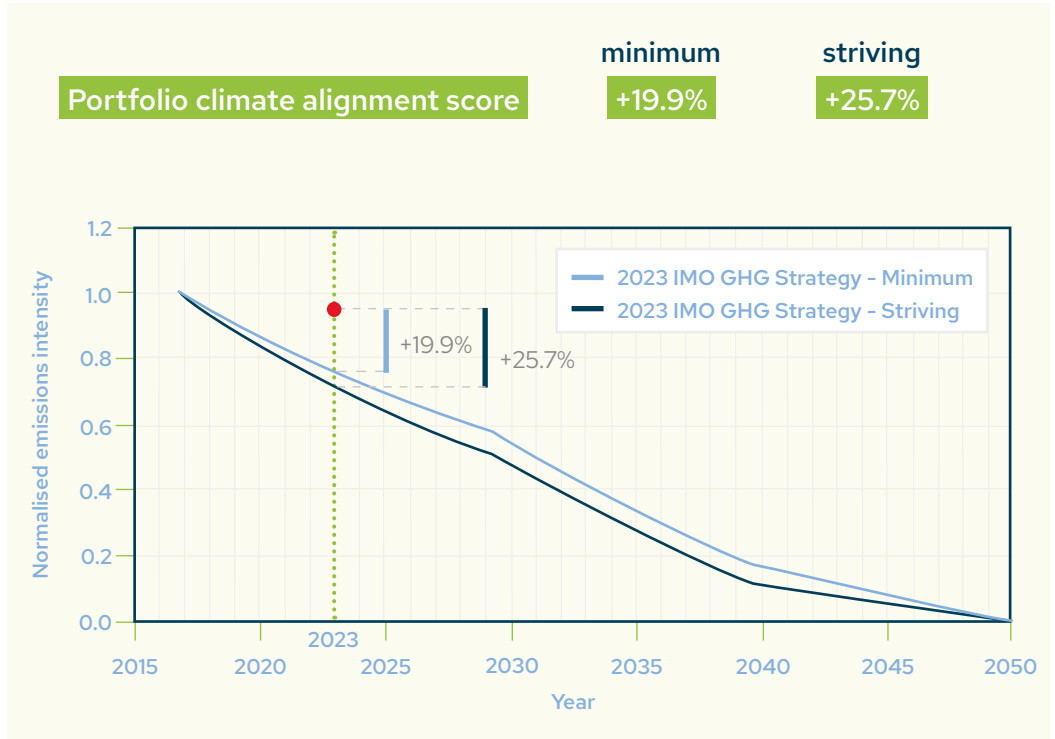
## How will the Poseidon Principles influence your business activities and decision-making in the future?

A vessel's AER is continuing to be an important factor when discussing new transactions with our customers. In addition to being a useful monitoring tool, our Poseidon Principles commitment is expanding our knowledge base which we believe is helping us to make good business decisions.



The underlying analysis of 2023 Poseidon Principles reported data confirms that supporting ship owners continuously working to improve efficiency of its fleet through operational improvements, retrofits and fleet renewal helps us to reduce the emissions footprint of our loan portfolio to the maritime sector.

Einar Stavrum, Global Head of Shipping, Danske Bank



# DekaBank Deutsche Girozentrale



Signatory as of April 2022

Reporting percentage: 97.0%

## What are your key takeaways from your climate alignment score?

With the switch to the 2023 IMO Striving and Minimum reduction paths, a more demanding benchmark than the previous IMO curve was used last year, Deka has decided to follow the Striving path. We want to achieve this by continuing to diversify our portfolio in the new business segment in order to invest in the most sustainable facilities and to benefit from the technological progress of the shipping sector and to benefit in the medium and long term. With regard to the latter point, we expect a significant improvement from around 2028. Compared to 2023, the weighted portfolio climate alignment score has improved from 22.1% to 20.8% (in terms of striving path). This is despite the exclusion of two ships (newbuildings) from the scope of reported activities in coordination with UMAS, which, according to the client, were only in operation during the reporting period in November - December 2023 and would therefore have had unplausibly low emissions.

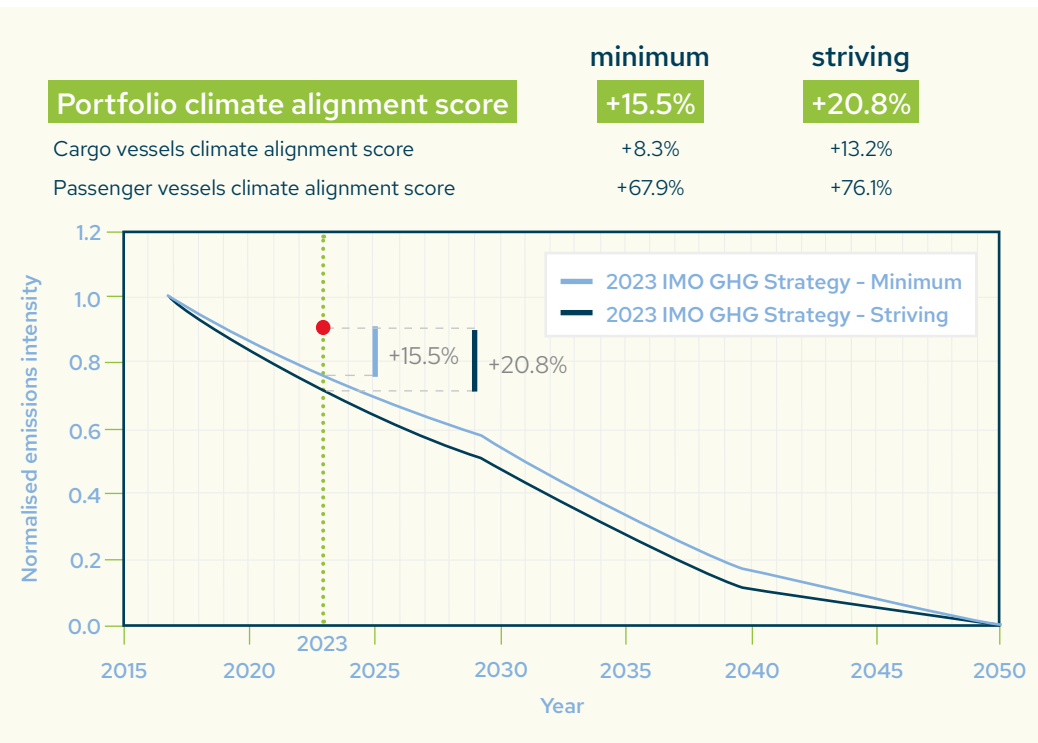
## How will the Poseidon Principles influence your business activities and decision-making in the future?

In 2024, our business strategy continued to specify to invest exclusively in the most modern and sustainable assets. For this reason, the Poseidon Principles methodology and the resulting assessment of a ship's AER have been an integral part of our activities in the ship financing process and in discussions with our customers for several reporting periods. We always consider the impact of a vessel on our portfolio alignment score and, therefore, consciously make financing decisions based on the criteria defined by the Poseidon Principles. In 2023, we took another important step towards a more sustainable and decarbonised shipping industry by continuing to diversify our portfolio against the backdrop of ESG aspects together with our customers.

[Link](#) to institutional report.

Also 2024 we have followed the Striving path, particularly in light of the regulatory requirements that have continued to accompany our organisation in 2024, in order to proactively counteract the serious negative effects of climate change and support new, environmentally friendly technologies. Sustainability thus remains the central and irreversible component of DekaBank's business model.

Dr. Marco Albers, Head of Specialised Lending



# Development Bank of Japan Inc.



Signatory as of May 2021

Reporting percentage: 92.1%

## What are your key takeaways from your climate alignment score?

We are pleased to record a positive improvement in our climate alignment score this year, although the baseline is getting more severe every year. This is the result of the generous support of our valued clients. The analysis showed us that particular types and ages of vessels have an important impact on the score, which gives us new insights. Based on the informative implication, we are in the process of sophisticating our financing strategy for achieving the goal of the Poseidon Principles Association in harmony with DBJ's unique role in Japan.

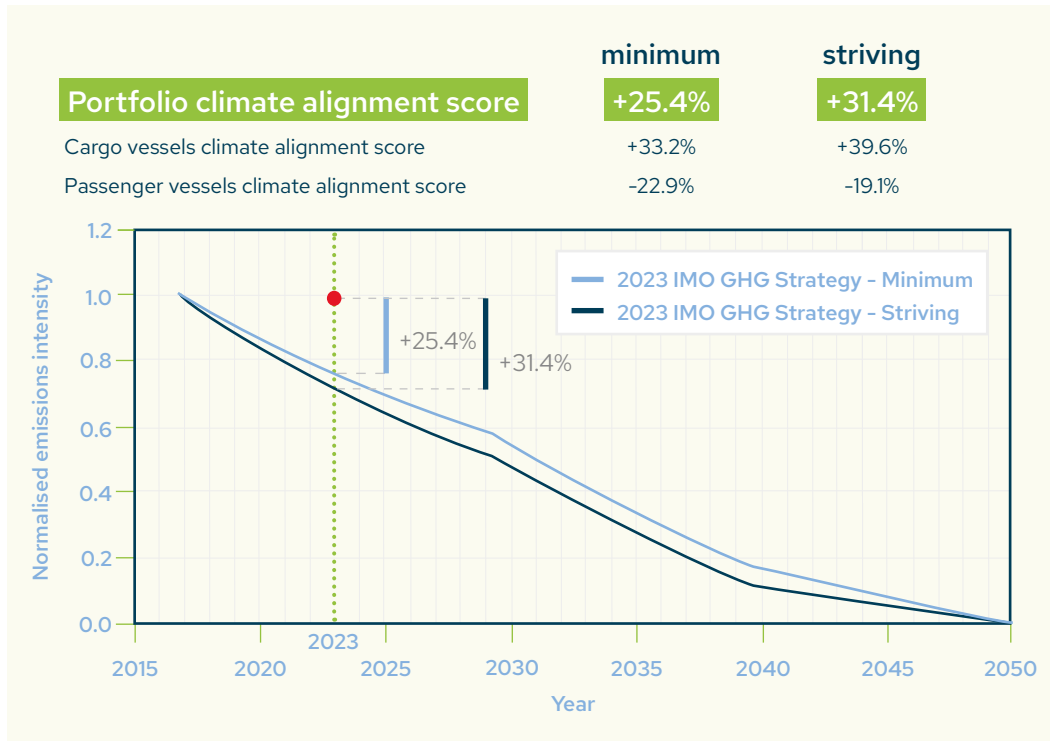
## How will the Poseidon Principles influence your business activities and decision-making in the future?

The data from the Poseidon Principles have enabled us to make a fact-based analysis regarding decarbonisation. Touching on future influence, as this is our fourth disclosure since signing on to the Poseidon Principles, we are still in the transition period and continuously considering how we take the Poseidon Principles in our business and decision-making in a way that contributes most to our clients. We will continue to proactively support the efforts of businesses to decarbonise through transition finance, sustainability-linked loans, and the new Zero-Emission Accelerating Ship Finance Program we established with ClassNK, etc.



We are pleased to present our fourth year of reports. We appreciate our clients' cooperation in reporting, which enabled participation this year to rise to 92 percent. DBJ is committed to supporting our clients to accelerate their transition and actively participating in the activities of the Poseidon Principles Association.

Kazuhiko Kanazashi, Managing Executive Officer





Signatory as of June 2019

Reporting percentage: 95.8%

**What are your key takeaways from your climate alignment score?**

We are extremely pleased to see a continued reduction in the emission intensity of the vessels in our portfolio. This reduction is a result of the tangible efforts our clients are making to improve efficiency and reduce emissions in their existing fleet while also investing in the right tonnage when it comes to newbuildings. The reduction also reflects our own capital allocation and deal prioritisation choices. Despite the marked reduction our portfolio is still outside the updated trajectories. This reflects the characteristics of the industry but more importantly the magnitude of the challenge at hand. It is worth noting that, if the IMO approved correction factors for shuttle tankers had been applied for the AER calculations, our portfolio alignment delta would have been 9-10 % points lower.

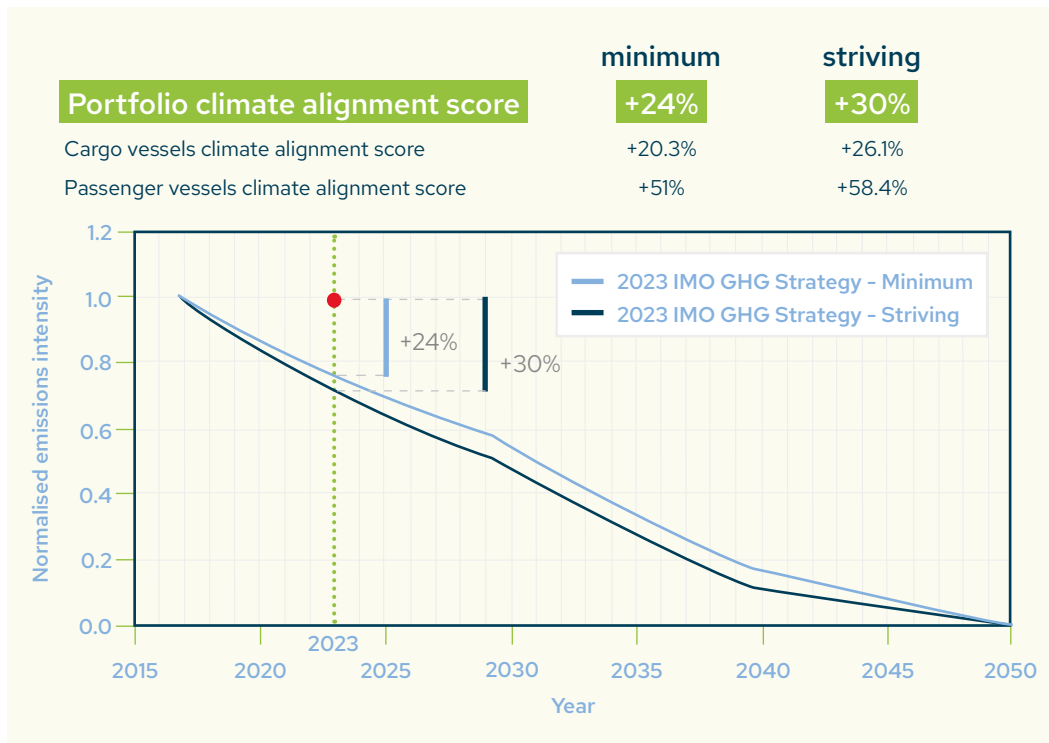
**How will the Poseidon Principles influence your business activities and decision-making in the future?**

The Poseidon Principles continue to be an integral part of our transition strategy. The information collected helps us build our competence and understand better the challenges and opportunities for our industry during this transition. We use the scores and the trajectories very actively in client selection, portfolio management, climate reporting and also as reference in structuring and following up of sustainability linked and transition loans.



It is impressive to see how the Poseidon Principles have become an integral part of our industry. They have helped us shed light on our decarbonisation journey and the challenges and opportunities ahead.

Christos Tsakonas, Global Head of Shipping



## Export Finance Norway



Signatory as of October 2019

Reporting percentage: 100%

### What are your key takeaways from your climate alignment score?

Our climate alignment score shows a balanced performance with no outliers, ranging from -4% to 4%. Cruise ships, comprising 68% of our portfolio, are the best aligned with decarbonisation targets. Our e-shuttle tankers (12% of the portfolio) and ferry Ro-Pax vessels (20%) lag somewhat. The revising of decarbonisation trajectories makes direct comparison to previous years challenging, yet our initial impression is that this year's scores and alignment targets are reasonable.

We acknowledge the introduction of new emissions factors for various fuel types, though their impact on our portfolio remains minimal. For example, changes in the methodology for calculating fuel consumption and LNG use between 2023 and 2024 have resulted in stricter parameters. However, since our vessels have relatively low LNG consumption, the impact on our portfolio is limited. Additionally, 40% of our Poseidon portfolio is equipped with hybrid-electric propulsion and battery packs, many also having shore power capabilities.

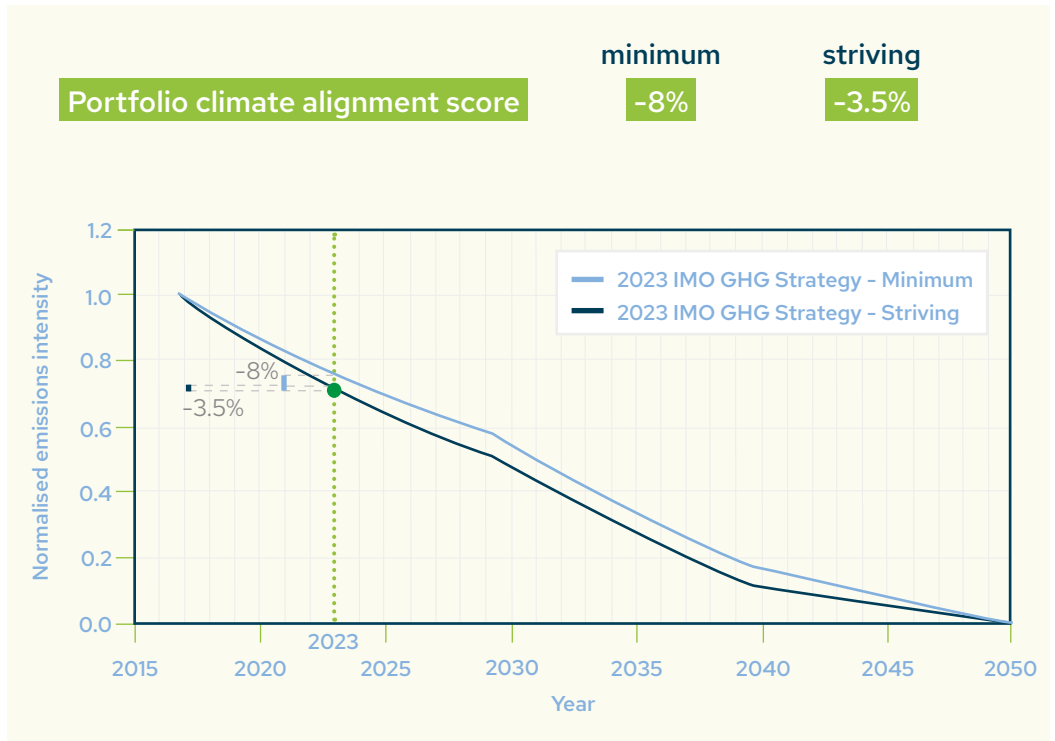
### How will the Poseidon Principles influence your business activities and decision-making in the future?

The part of our portfolio falling under the scope of the Poseidon Principles is unfortunately limited as the majority of our vessels are offshore service vessels or vessels that are not considered to be trading internationally and/or are below 5000 dwt. In terms of exposure, 65% of Export Finance Norway's shipping portfolio remains outside of the scope of the Poseidon Principles. For the vessels in our portfolio covered by the Poseidon Principles, they provide a valuable tool for understanding the carbon intensity of those vessels. However, as of now, the Poseidon Principles have yet to form the basis for decisions relating to our business activities.



Export Finance Norway is pleased to see that our portfolio once more aligns well with the Poseidon Principles trajectories. The Poseidon Principles calculations give us valuable insight to our shipping portfolio as there are some significant variations between the different segments in the portfolio.

Solveig Frøland, Head of Maritime & Yards



# Finnvera Oyj



Signatory as of March 2021

Reporting percentage: 98.9%

## What are your key takeaways from your climate alignment score?

The cruise shipping industry is most significant in Finnvera’s export credit guarantee exposure. The outlook for cruise shipping has continued to improve and cruise tourism is growing internationally. In relation to the 2023 IMO GHG Strategy targets, we are further away from the trajectories than last year. The trajectories strongly challenge Finnvera as our ship finance portfolio consists of the world’s largest and most advanced cruise ships and as approximately two-thirds of our portfolio covered by the Poseidon Principles are LNG-powered vessels. The impact of the calculation method is most evident in regard to default emission factors of LNG even if the new cruise ships represent the latest technology and energy efficiency.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

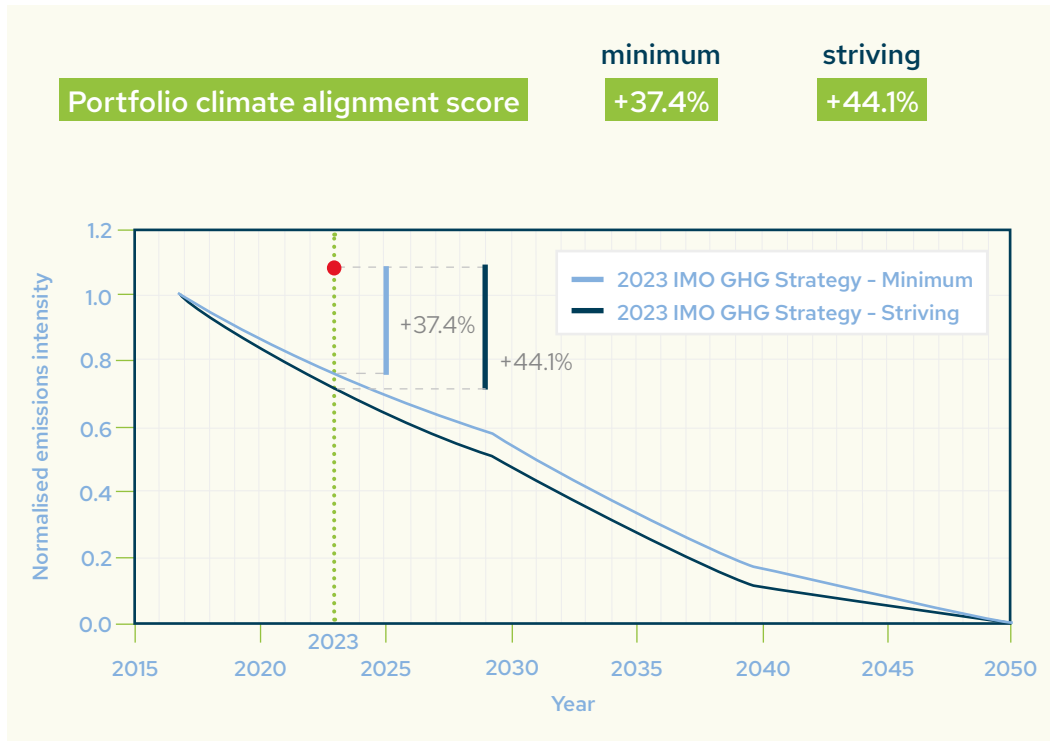
Poseidon Principles have brought measurability and comparability to the monitoring of the climate impacts of Finnvera’s ship finance, that covers a considerable share of our exposure. The calculation has improved the quality of the data as a source for assessment, based on which we are also able to specify our reporting on climate impacts. In our business activities we emphasise active dialogue with the cruise shipping industry widely from the engine technology developers to shipyards and shipping companies. A good example of a future development is the NECOLEAP project of the Meyer Turku shipyard in Finland, that aims to be a carbon neutral shipyard and that develops a climate-neutral cruise ship concept in the near future. The project is financed by Business Finland, which is part of the Team Finland network along with Finnvera.

[Link](#) to institutional report.



In recent years, we have been actively developing our climate targets and measures. Finnvera has also recently joined the Net-Zero ECA Alliance. As an ECA, we have good opportunities to influence the development of climate solutions, as we essentially finance new technology aiming to build more environmentally efficient ships.

Jussi Haarasilta, Executive Vice President



# ING Bank N.V.



Signatory as of June 2019

Reporting percentage: 97.8%

## What are your key takeaways from your climate alignment score?

The 2023 climate alignment score shows that ING, working with our clients, continues to make very good progress in decarbonising our shipping portfolio; these latest results show the largest year-on-year improvement we have seen for our portfolio to date. We are encouraged by the proactive investments our shipping clients are making to reduce emissions from their vessels, which investments often go well beyond regulatory requirements. The impact of environmental regulation for shipping that came into effect in recent years, such as the CII, is another key driver. We will continue to work with all stakeholders to ensure this positive trend will persist and that it will be reinforced by the measures to address shipping emissions which are expected from the IMO and EU in the coming years. We continue to believe that shipping possesses the unique advantage of having a global regulator in the IMO that has a net zero strategy and mandates emission reduction accordingly.

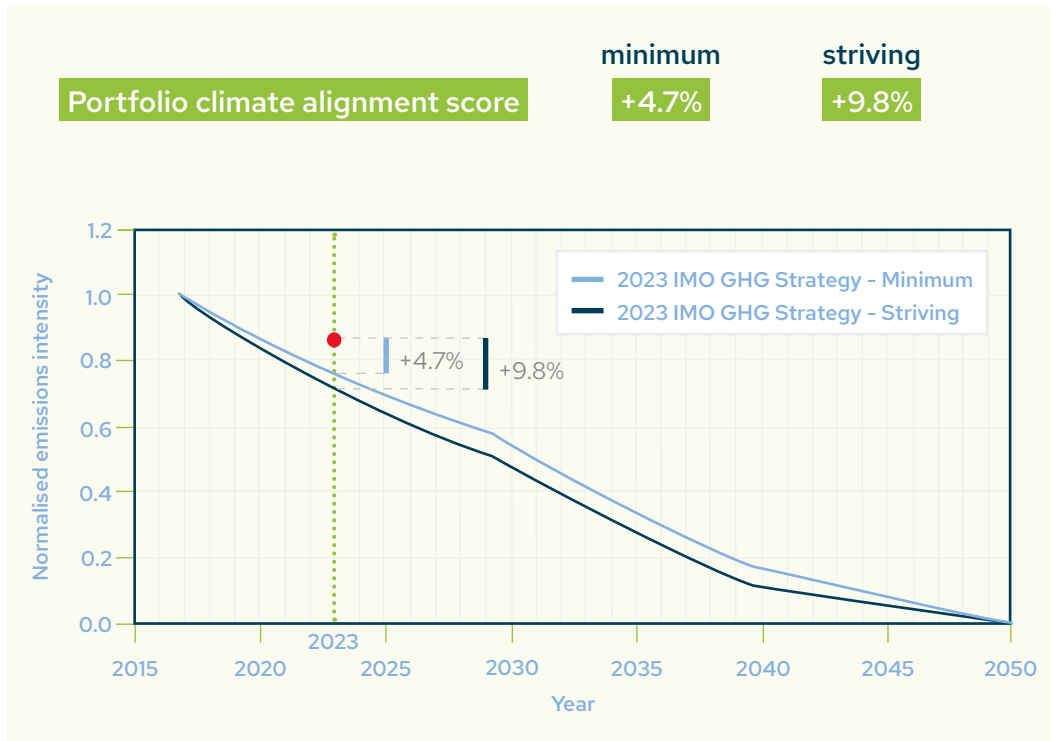
## How will the Poseidon Principles influence your business activities and decision-making in the future?

We are accelerating our approach to engage with clients on their decarbonisation journey, becoming more proactive and increasingly using data in our decision-making process. As the first ever sectoral climate alignment framework, Poseidon Principles has not only established a standard for the shipping industry but inspired similar frameworks for other sectors. It is a credible framework for benchmarking the emissions associated with our shipping portfolio. This allows us to steer the portfolio by engaging with our clients and supporting them in their transition by offering them appropriate financing solutions. As IMO announces its short and mid-term measures to achieve the revised GHG strategy targets in the next two years, we look forward to working with all stakeholders to ensure that Poseidon Principles supports credible transition pathways based on realistic scenarios and thus can remain a benchmark for the industry.

[Link](#) to institutional report

// I am delighted to note that we have continued to make significant progress in decarbonising our shipping portfolio. The fact that we have achieved our best results since inception of the Poseidon Principles underscores our ongoing commitment to the net zero by 2050 target. Importantly these improved results are a reflection of the steps our shipping clients are taking towards meeting industry targets and therefore a validation of our strategy of working with industry leading clients who are at the forefront of the transition. As we look ahead to a future landscape of alternative fuels, technology evolution and tightening regulations, we see our role as to not only finance our clients' transitions but to bring key industry stakeholders together and to ensure the momentum that has been built not only continues but intensifies.

Stephen Fewster, Global Head of Shipping Finance, ING and Treasurer of the Poseidon Principles Steering Committee



# KfW IPEX-Bank



Signatory as of September 2022

Reporting percentage: 98.4%

## What are your key takeaways from your climate alignment score?

In the interest of fair comparison, we have recalculated our 2023 climate alignment scores according to the Technical Guidance 5.1. Based on these revised results, the bank's overall climate alignment improved from +33.0% to +25.6% in 2024. Cargo shipping carried its positive trend into 2023 and recorded a good alignment of +2.8% (previous year: +6.2%), rewarding our continuous efforts on bettering the efficiency of our cargo fleet, which accounts for almost 2/3 of absolute emissions in our portfolio. Still, the portfolio continues to be dominated by a 60% share of passenger vessels, a segment that has consistently experienced a higher deviation from its target trajectories over time and across banks. This past year, we were able to increase the share of modern and more efficient passenger vessels and close the gap from +48.5% in 2023 to now +41.3%.

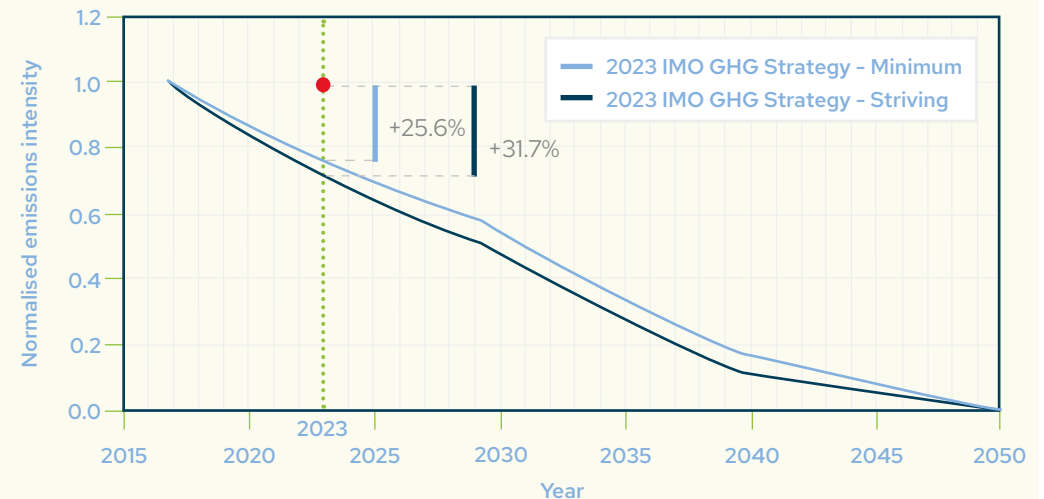
## How will the Poseidon Principles influence your business activities and decision-making in the future?

In 2019 KfW IPEX-Bank introduced stringent sector guidelines based on the IEA Sustainable Development Scenarios (SDS). These guidelines have since been revised to align our portfolio with the more ambitious Net Zero Emissions by 2050 Scenario (NZE). We are committed to supporting the transformation of the global maritime industry by financing state of the art new buildings as well as efficiency improving retrofit solutions. Collecting the relevant emission data is key to assessing the sustainability of a project, and the Poseidon Principles have greatly improved transparency in that respect. We are using this data for our GHG-accounting but also to back-test the operational performance of the underlying assets in our portfolio.

The decarbonisation of the global economy remains one of the key challenges. We are committed to contribute to this goal and the efficiency improvement in our shipping portfolio is a testament to our continuous efforts. Despite this positive trend cruise vessels continue to present an important opportunity for improvement and innovation. However, this also requires a review of the AER methodology to properly account for the distinct features of the cruise sector. We strongly support CLIA's initiative at MEPC 82 to move to a time-based AER measurement (cgHRS) and recommend a quick implementation within the Poseidon Principles. We are convinced that these adjustments will help to set the right incentives for investments in more efficient and innovative cruise vessels.

Sebastian Blum, Global Head of Mobility

	minimum	striving
<b>Portfolio climate alignment score</b>	<b>+25.6%</b>	<b>+31.7%</b>
Cargo vessels climate alignment score	+2.8%	+7.8%
Passenger vessels climate alignment score	+41.3%	+48.1%





# MUFG Bank



Signatory as of March 2021

Reporting percentage: 86.5%

## What are your key takeaways from your climate alignment score?

As our third year of disclosure under Poseidon Principles and second year in reporting under the new "2023 IMO GHG Strategy", MUFG is pleased to report our improved scores compared to the last year. We would also like to note that the re-calculated 2022 portfolio climate alignment scores for "Minimum" and "Striving", under the guidance of Poseidon Principles, were 24.3% and 28.9%, respectively. The score for "Striving" improved dramatically from 28.9% last year to 22.7% this year. While the results remain above the decarbonisation trajectory, this improvement shows a positive trend in our portfolio.

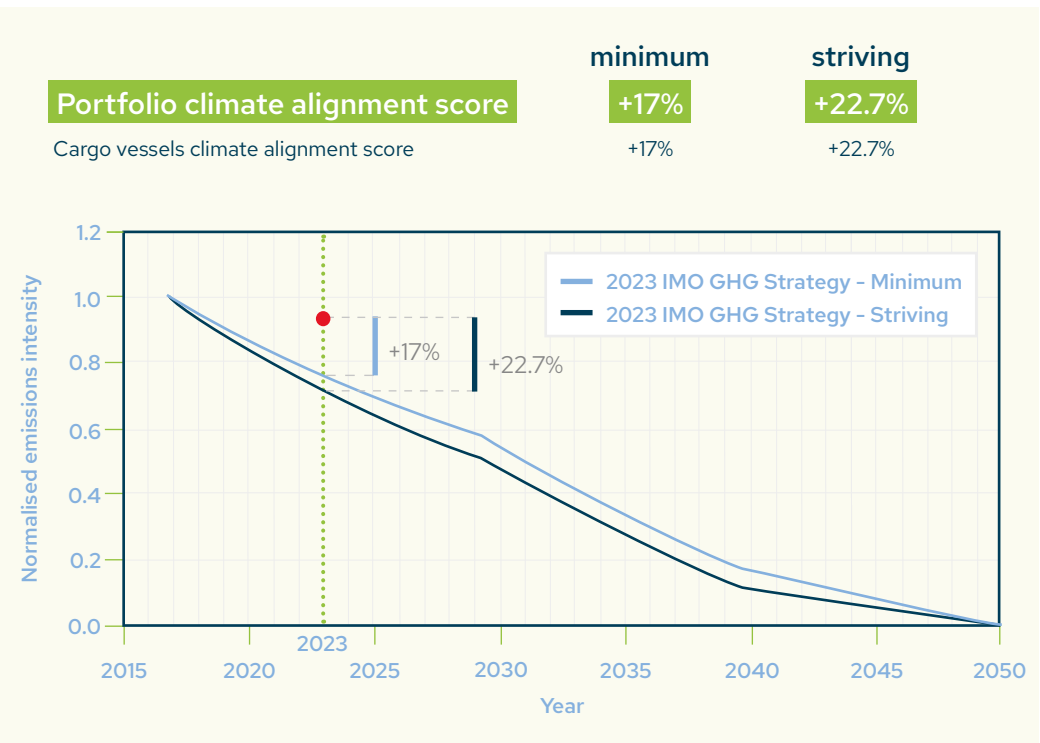
MUFG understands that shuttle tankers operate differently from other ship types, requiring adjustments to account for their unique characteristics. Applying these corrections would better reflect the state of decarbonisation and show improvements in MUFG's portfolio climate alignment. We hope replacing shuttle tankers with those using zero-emission fuel should lead to further score improvements going forward.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

Calculating under the Poseidon Principles allows MUFG to conduct a fact-based analysis, providing measurability and comparability in monitoring the climate impacts of our portfolio. The Poseidon Principles enhance our understanding of the environmental challenges and solutions within the shipping sector, enabling us to collaborate closely with our clients to support their decarbonisation strategies.

// MUFG is pleased to present our annual results, which has shown improvement from last year, guided by the 2023 IMO GHG Strategy. As always, MUFG would like to express our sincere gratitude to our clients for their cooperation in reporting. MUFG remains fully committed to collaborating with our clients to achieve our shared decarbonisation goals.

Koichiro Oshima, Managing Executive Officer, Head of Financial Solutions Group



## Nordea Bank Abp



Signatory as of June 2019

Reporting percentage: 98.0%

### What are your key takeaways from your climate alignment score?

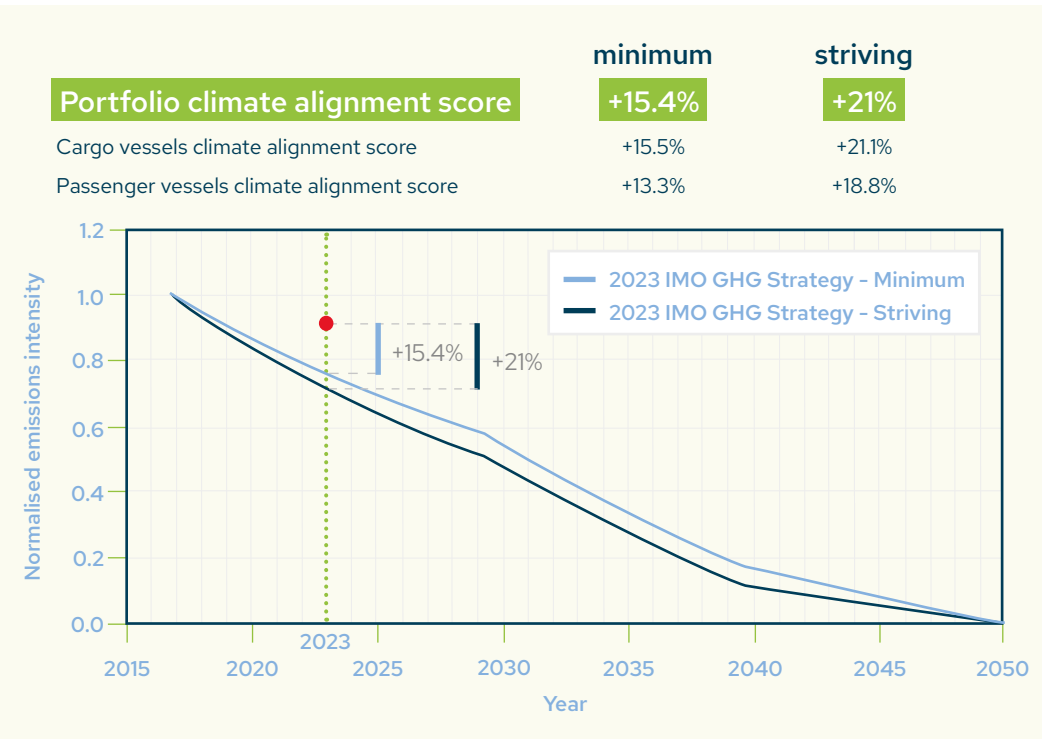
Nordea is pleased to see the commitment from its shipping customers regarding the Poseidon Principles reporting achieving close to a 100% reporting rate in five successive years. The Poseidon Principles enables us to track the decarbonisation of our shipping portfolio over time and the data obtained has given us valuable additional insight into our portfolio. Nordea has a diversified shipping portfolio financing the majority of the segments. As the portfolio comprises of shuttle tankers we have applied CII correction factors in accordance with MEPC 335 (78). The adjusted alignment score is 10.5% for IMO "Minimum" and 15.8% for IMO "Striving", respectively.

### How will the Poseidon Principles influence your business activities and decision-making in the future?

The data from the Poseidon Principles enables us to have a fact-based dialogue with our customers regarding decarbonisation. This will pave the way for a more decarbonised shipping sector in the future. When evaluating new transactions, the Poseidon Principles data is an important consideration and part of our decision making material.

// Nordea is proud to be part of the Poseidon Principles and we view the initiative as an important contribution in the decarbonisation of shipping. We are pleased with response that we have obtained and with the impressive commitment that has been demonstrated from our clients. Nordea is committed to be transparent on the carbon footprint of our shipping portfolio and to work closely with our clients to ensure continuous decarbonisation of the maritime sector to align with 2030, 2040 and 2050 targets.

Geir Atle Lerkerød and Thor-Erik Bech, Co-Heads of Shipping





Signatory as of December 2020

Reporting percentage: 97.9%

**What are your key takeaways from your climate alignment score?**

We are pleased to report an improved climate alignment score of +4.94% (2023 IMO GHG Strategy – Minimum trajectory) and +10.04% (2023 IMO GHG Strategy – Striving trajectory), an improvement from our 2023 performance where we scored +11.2% and +15.3% respectively.

After applying the CII Correction Factor for shuttle tankers, our climate alignment score against the Minimum trajectory comes up to +3.63%, an improvement from our 2023 performance of +9.4%. This progress is a reflection of our clients’ priorities in reducing emissions in their operations.

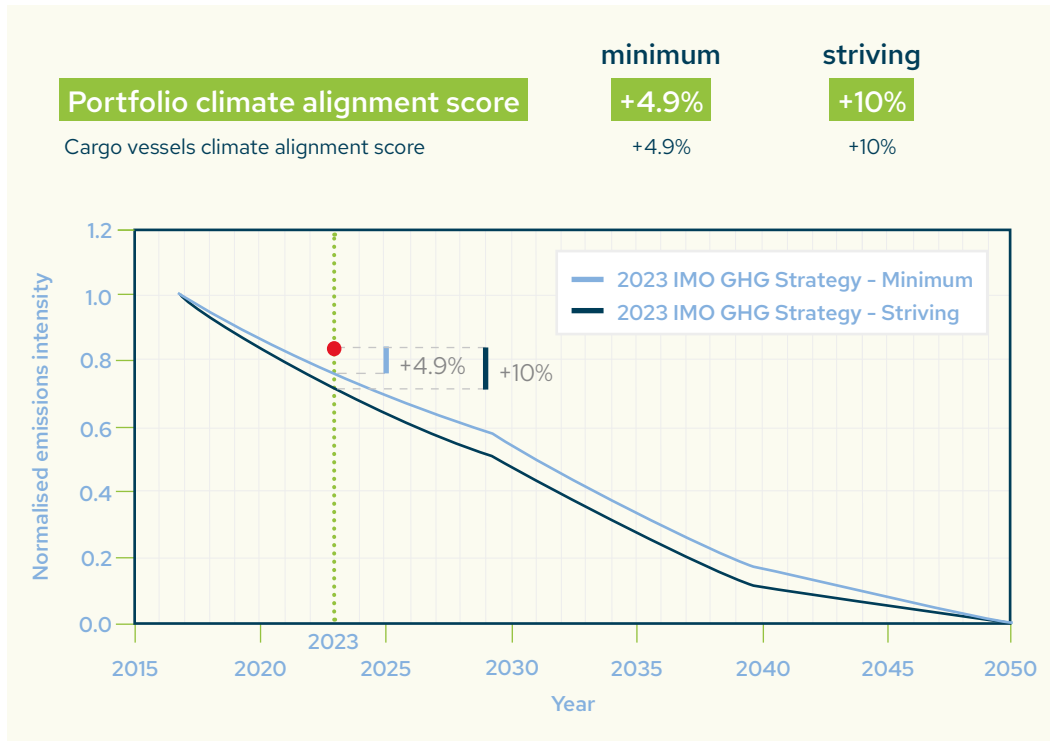
**How will the Poseidon Principles influence your business activities and decision-making in the future?**

The Poseidon Principles allows us to track our client’s progress towards decarbonising their operations. OCBC is a trusted partner for our shipping clients in their transition journey as they invest in cleaner vessels; new technologies and operational initiatives. We are committed to actively engaging our clients on how we can continue to support them in their transition efforts through sustainable financing, strategic advisory and ecosystem partnerships.

[Link](#) to institutional report.

**“ We are proud of our clients’ continued commitment and progress in reducing emissions amidst the volatile environment fraught with challenges such as increased regulations, safety issues and having to exercise operational agility amidst uncertainty. As their trusted partner, we will continue to support their investment decisions on their decarbonisation journey.**

Angeline Teo, Head of Global Transportation



# SACE



Signatory as of October 2021

Reporting percentage: 99.8%

### What are your key takeaways from your climate alignment score?

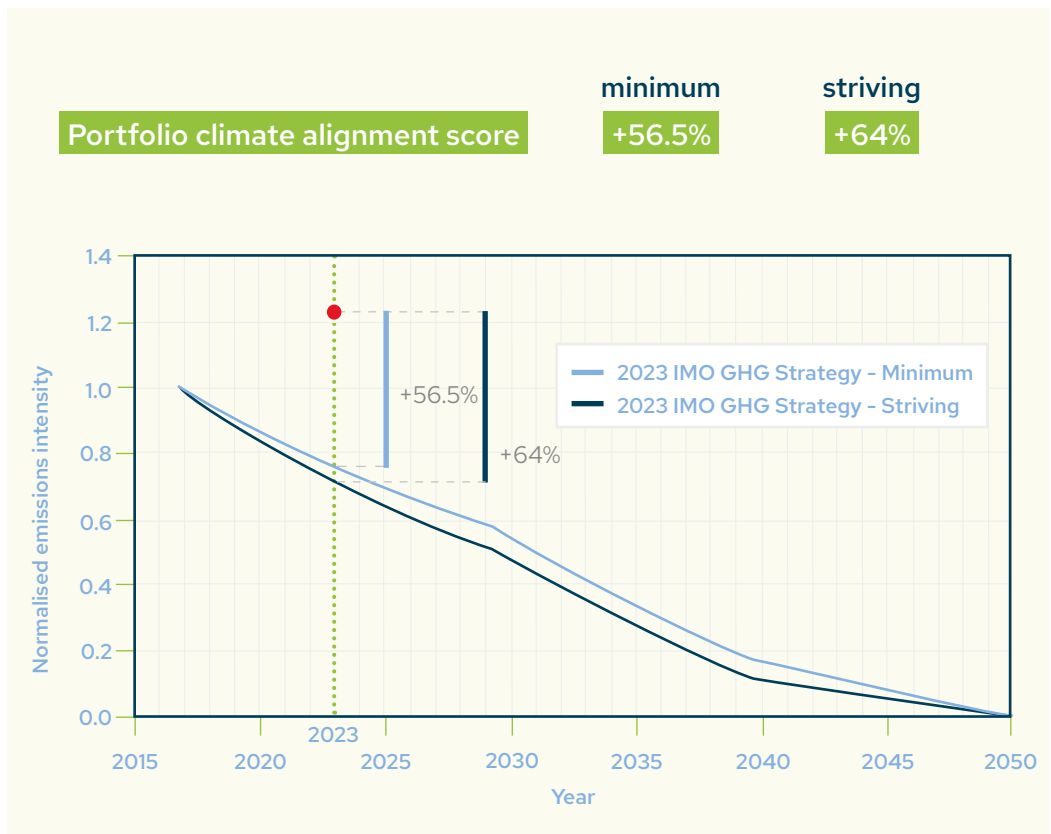
The alignment scores for 2023 mark an improvement compared to last year. This is mainly due to the correction made by the Secretariat in the trajectories for passenger ships, which represent the total of SACE’s shipping portfolio falling within the scope of the Poseidon Principles. Looking at the consumption reports of single ships, we note a slight increase in the use of biofuels, in addition to traditional fuels, which also contributes to reducing the amount of generated GHG emissions. Furthermore, some of the latest vessels that entered into operation in 2023 resulted as aligned with the trajectories. In terms of percentage of reporting, this year we have covered 99.8% of our shipping portfolio, demonstrating the continuous cooperation with the shipowners and the banks.

### How will the Poseidon Principles influence your business activities and decision-making in the future?

The work conducted for calculating the climate alignment of SACE’s shipping portfolio represents a fundamental step in the calculation of the carbon footprint of our wider portfolio. The shared methodology provided by the Poseidon Principles allows to account for scope 1, 2 and 3 emissions of the shipping sector, contributing to improve the quality of the overall data used for the carbon footprint. The Poseidon Principles represent a useful tool to measure the impact of one of the first sectors of exposure of our company.

// This is the 3rd year SACE has assessed the climate alignment of its shipping portfolio. Although comparing results from one year to the other would not be accurate due to methodology changes, we note some positive trends in the industry, such as the use of biofuels in addition to traditional fuels. In parallel with the reporting within the Poseidon Principles, SACE continues to engage with its clients and provide dedicated products to support investments in the transition

Giammarco Boccia, Head of SACE Business Solutions



# SBI Shinsei Bank, Limited



Signatory as of March 2021

Reporting percentage: 86.8%

## What are your key takeaways from your climate alignment score?

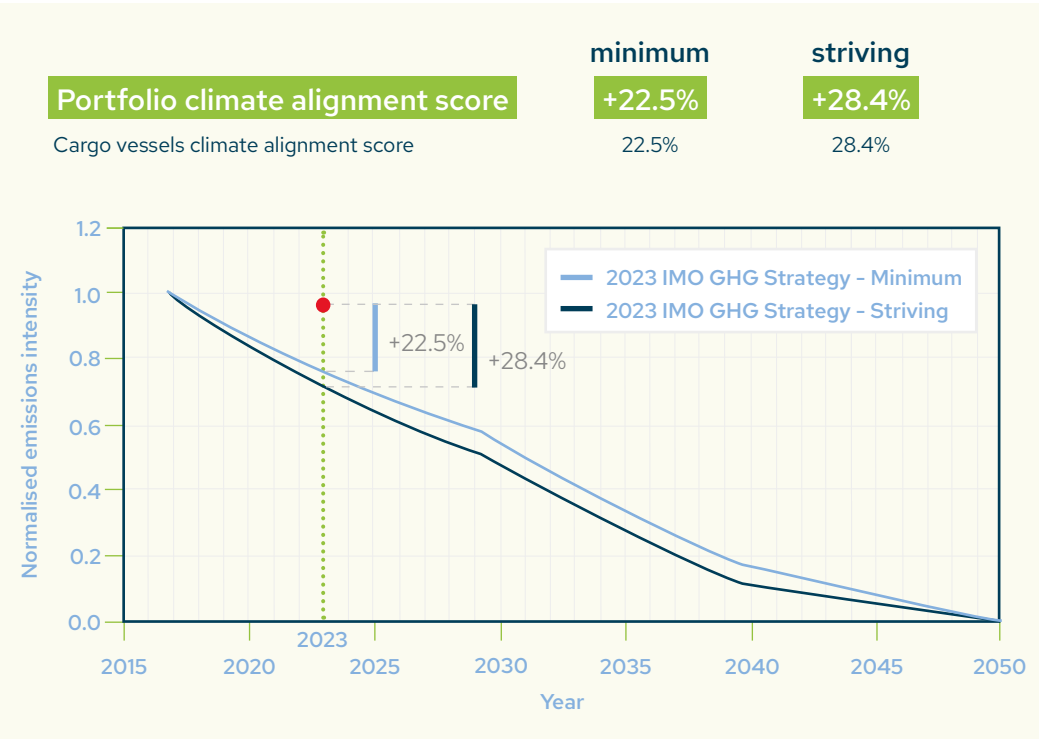
We are delighted to present our third annual report on our climate alignment performance. Thanks to the continuous support and understanding of our valued clients, we have improved our climate alignment score compared to the previous year. As a characteristic of our activity, we have focused on financing for LNG vessels, considering the demand hike of LNG as a transition fuel. While we recognise that LNG vessels tend not to contribute positively to our Poseidon Principles score in terms of GHG emissions, we will maintain our stance to respond to this market trend and meet our clients' expectations. To align with the new ambitious IMO target, we will continuously make efforts to further improve our portfolio and stay in close communication with our clients as well as provide more achievable financing solutions.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

Ever since we became a signatory of the Poseidon Principles, we have actively participated in the meetings held by the committee, fostered communication with other signatories and considered insights gained when discussing new financings with our clients. Based on the knowledge and experiences shared through the activities regarding the Poseidon Principles, we will continue to offer enhanced financing solutions to our clients to support the green transition towards decarbonisation in the shipping industry. As in previous years, we will continue to align our strategy in the shipping finance business with the Poseidon Principles.

// We are pleased to present our climate alignment scores for this year. The results confirmed our continuous improvement in our scores and highlight our long-term commitment to achieving net zero emissions by 2050. We believe we are on the right path, and we will remain committed to enhancing our contribution to decarbonisation of the shipping industry.

Kenji Uesaka, Managing Executive Officer / Head of Group Structured Solution, Financial Sponsors and Institutional Business



# SEB



Signatory as of November 2020

Reporting percentage: 96.9%

## What are your key takeaways from your climate alignment score?

SEB’s climate alignment score for its shipping portfolio remains relatively stable compared to last year. As we navigate the steeper decarbonisation trajectories set by the IMO’s revised GHG strategy, we recognise the challenges ahead and the importance of deepening collaboration with our clients. SEB remains committed to aligning our portfolio with these heightened ambitions, leveraging innovative financing solutions to support retrofits, newbuilds, and energy-saving measures. The future availability of low-carbon fuels and advanced propulsion technologies will be pivotal to progress. Our results reflect not only lifecycle fuel emissions and methodological updates to trajectories, but also the dynamic nature of shipping markets, vessel operations and portfolio composition. While we are encouraged by our position relative to IMO’s revised trajectories, we will continue to monitor developments closely and engage with clients to drive tangible reductions in shipping emissions, ensuring our portfolio supports both intermediate and long-term decarbonisation goals.

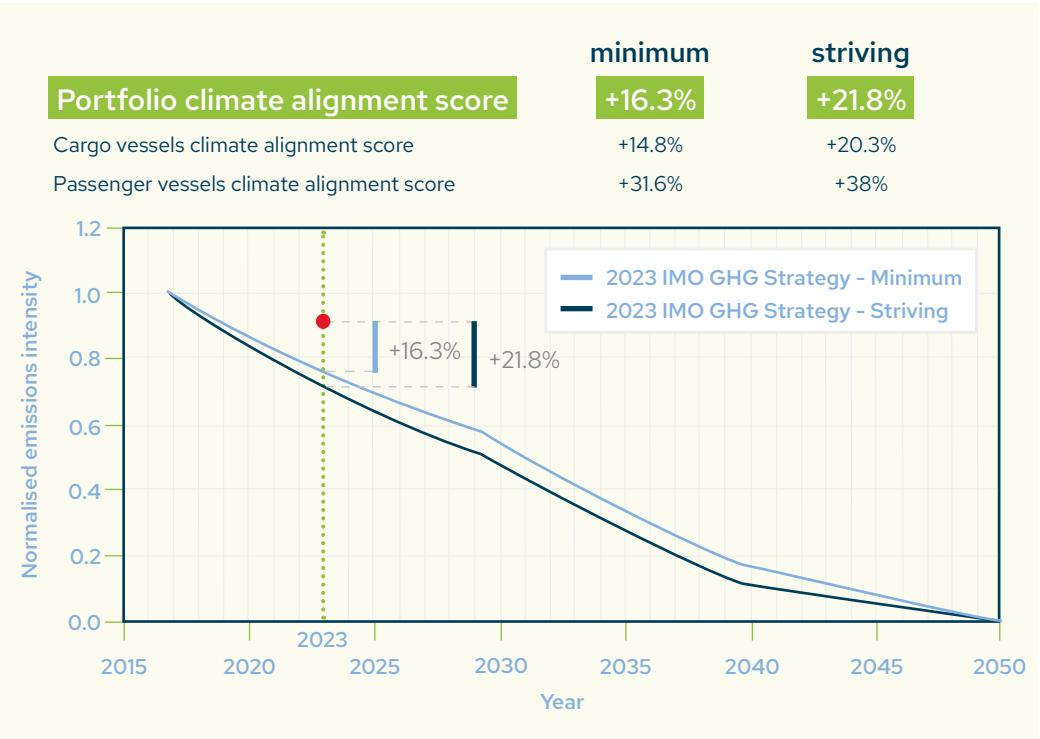
## How will the Poseidon Principles influence your business activities and decision-making in the future?

The Poseidon Principles have become a key element in SEB’s engagements with its shipping clients, providing critical insights into our portfolio’s climate alignment and enabling fact-based discussions with clients about emission reductions. By integrating these insights into our client selection process and credit decisions, we ensure our portfolio will remain aligned with decarbonisation trajectories over time. SEB continues to partner with clients by supporting their investments in lower emission newbuilds, alternative fuelled vessels and retrofits. In 2023, we saw increased activity in this space, reflecting the growing commercial and regulatory imperatives for decarbonisation. We remain committed to using Poseidon Principles data to track the carbon intensity of our portfolio and meet our future reduction targets. As we continue to provide sustainable and transition financing, the Poseidon Principles will remain a vital tool in aligning our capital allocation decisions with the path to a net-zero maritime sector.

[Link to institutional report](#)

SEB remains steadfast in our commitment to supporting the decarbonisation of the maritime sector. By aligning with the Poseidon Principles and fostering close collaboration with our clients, we aim to enable the transition to low-carbon shipping solutions. Together, we can navigate the challenges of meeting ambitious climate targets and contribute to a sustainable future for global shipping.

Hans Christian Kjelsrud, Global Head of Shipping Coverage





Signatory as of January 2021

Reporting percentage: 78.3%

**What are your key takeaways from your climate alignment score?**

It is comforting to see that our portfolio continues to improve, especially compared to last year when the two revised and more ambitious IMO trajectories were introduced. The fleet composition by sector is a key driver of the Poseidon Principles Portfolio climate alignment score, and we note in this respect the still significantly higher misalignment of certain segments such as cruise and car carriers.

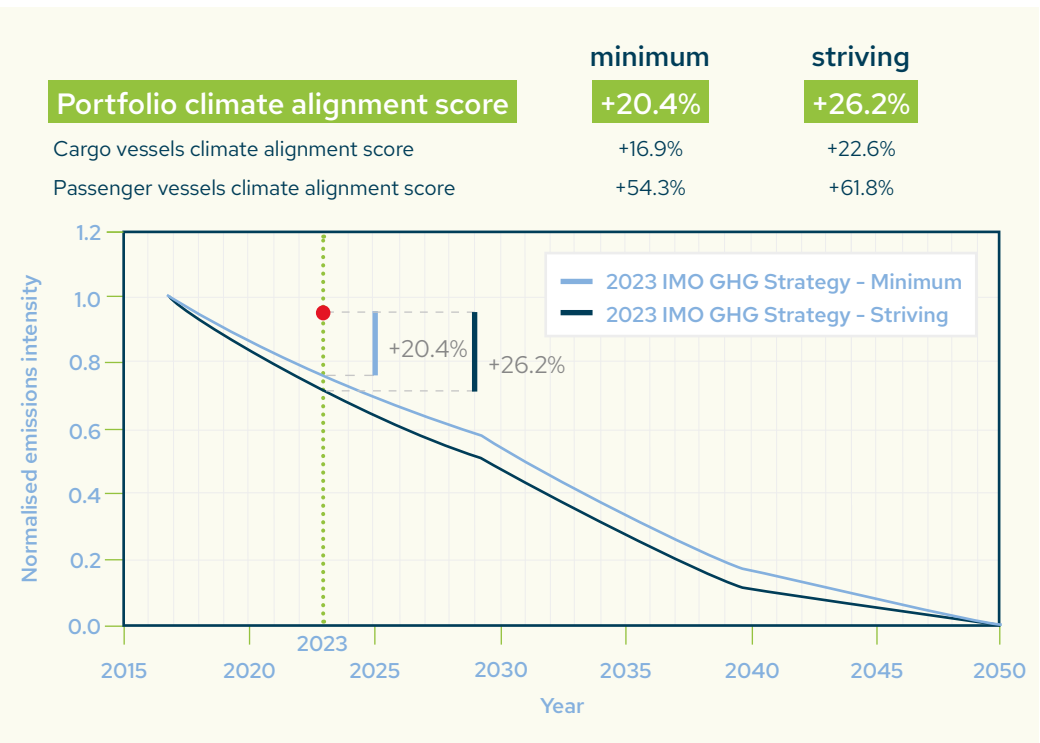
As our portfolio contains shuttle tankers, assuming that the IMO CII correction factor was applied, our 2024 climate alignment would improve to +15.7% from 20.4% (Minimum) and to 21.3% from 26.2% ( Striving). Furthermore, to keep a consistent comparison basis, we recalculated our 2023 results as per Technical Guidance 5.1. Our overall portfolio alignment for that year was improved to +24% from +27% (Minimum) and to +29% from +31% (Striving).

**How will the Poseidon Principles influence your business activities and decision-making in the future?**

As we benefit from several consecutive years of granular data collection and analysis, the Poseidon Principles have become a standard shaping our business strategy, lending decisions and portfolio management.

Our climate alignment score continues to improve year after year, but nevertheless remains above the trajectory. We are conscious of the challenges ahead, in what is a hard-to-abate industry, and are committed to progress in our transition journey towards achieving net zero by 2050. Besides, considering the positive benefits of the Poseidon Principles framework, we look forward to discussing their possible enlargement to other areas relating to the wider environmental and social impact of the shipping industry.

Guillaume Dufour, Managing Director, Head of Maritime Finance EMEA



# Societe Generale



Signatory as of June 2019

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

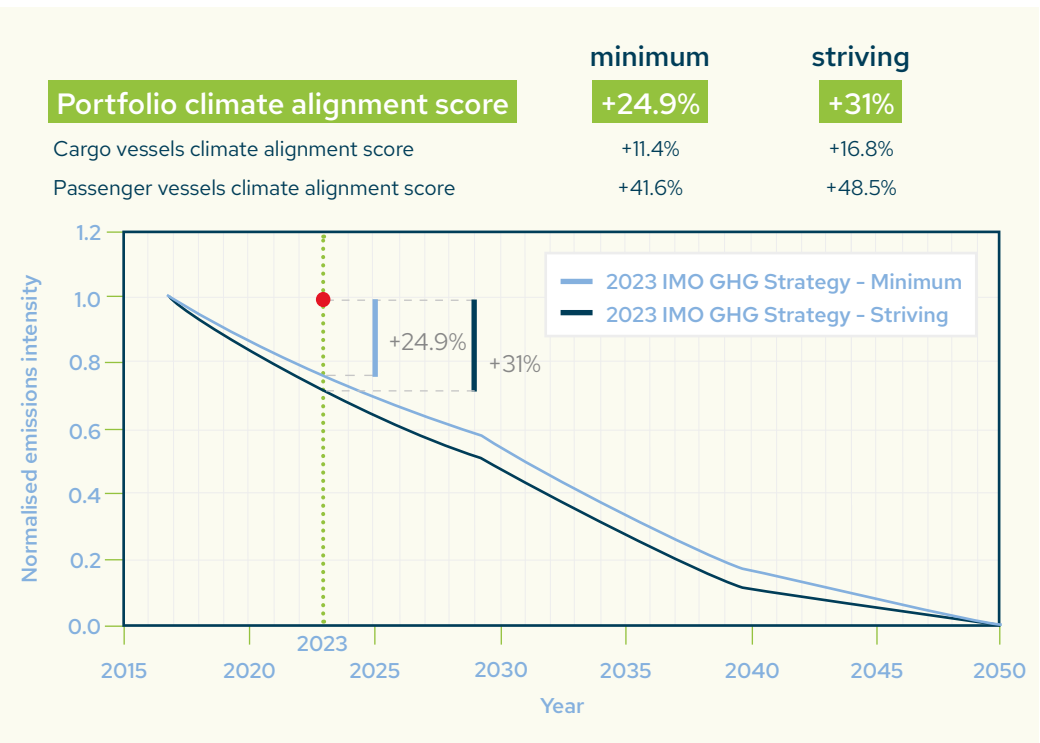
The challenge of the IMO’s new Striving trajectory to decarbonise shipping is underlined by the misalignment of shipping banks’ portfolios today. The improvement in Societe Generale’s climate alignment score against the Striving trajectory reflects our stringent lending guidelines as well as our clients’ increasing commitment and momentum towards decarbonisation. Our cargo portfolio score improved from +24.1% to +16.8%, reflecting the introduction of stringent lending policies. The expected 2025 IMO review of emissions factors and of methodology to calculate passenger vessel intensity will hopefully ensure the continued alignment between the Poseidon Principles and the industry regulator. Future alignment of banks’ portfolios with the Striving trajectory will require selective lending from shipping banks to complement the introduction and use of low carbon fuels, the retrofitting of existing vessels, and the urgent adoption of slow steaming across the sector.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

The Poseidon Principles are central to our activity as it provides us with the framework to formally assess and manage our progress towards our ambitious climate targets. To meet our climate objectives, we accompany our clients and other stakeholders across the wider maritime industries, supporting them with innovative and relevant financing and advisory services as they transition their businesses to net zero. We are delighted with the 100% data collection rate from our clients, reflecting their engagement in the transition on transparency. Our lending policies will not be reflected in linear re-alignment of our loan portfolio as there are many market factors in play. It will rather be an iterative and collective process through which we will all need to adapt, accompanied by new low carbon technologies, changing behaviours and evolving regulatory frameworks.

// The maritime industry is proving it has the capacity and momentum to adapt to the unprecedented challenge of decarbonisation. We are now seeing collective responsibility and collaboration across the entire ecosystem amid times of great geopolitical uncertainty. Financiers have a central role to play in prioritising capital for the most committed shipowners to decarbonisation, and the Poseidon Principles are a very positive first step in this journey.

Paul Taylor, Global Head of Maritime Industries





# SpareBank 1 Sør-Norge



Signatory as of November 2020

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

Once again, we have achieved a 100% reporting rate, demonstrating that our customers take this matter very seriously. Similar to last year, we see some segments with more potential for improvement than others. It will be interesting to observe the developments moving forward, especially with the delivery of newbuildings and potential changes in the freight market. Overall, our portfolio appears to be at a standstill in terms of alignment.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

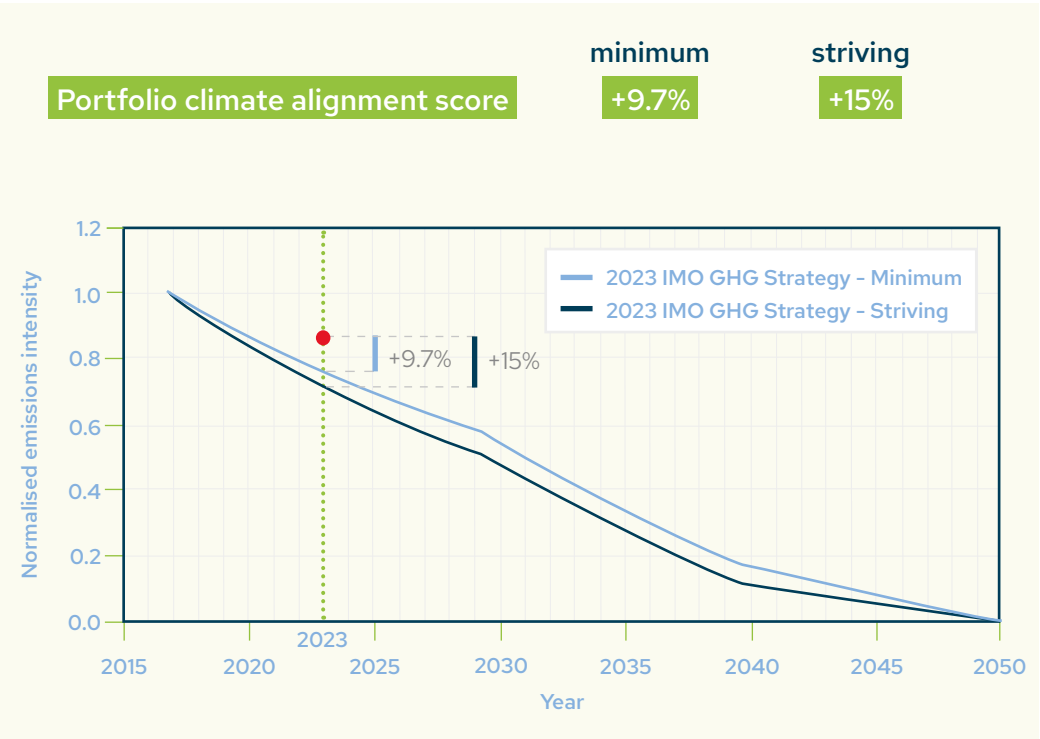
The Poseidon Principles provide us with a comprehensive overview of the current state of the ships in our portfolio, serving as a good foundation for dialogue with our customers. This reporting keeps us focused on an increasingly important area. We appreciate that our customers are diligently and actively addressing the GHG issue, and we aim to be a trusted partner in developing their business.

[Link](#) to institutional report.



Our ambition is to take responsibility and be a proactive ally to our clients in the transition to a low-carbon society. The Poseidon Principles reporting serve as an important tool for analysing emissions from our shipping portfolio. We are committed to actively engaging with our clients to improve alignment.

Johan Erland, Head of Maritime Industries



## Sparebanken Vest

Signatory as of September 2019

Reporting percentage: 100%

### What are your key takeaways from your climate alignment score?

2023 is the first reporting year with only well-to-wake trajectories, and we support Poseidon Principles in updating these trajectories according to the new 2023 IMO GHG Strategy. We are pleased to have a 100% reporting percentage this year as well. Our portfolio score has, however, declined compared to last year, and we will work to improve our results going forward. The results is partly related to a shift in vessel segments representing our portfolio and an increase in AER compared to last year for a small part of our portfolio.

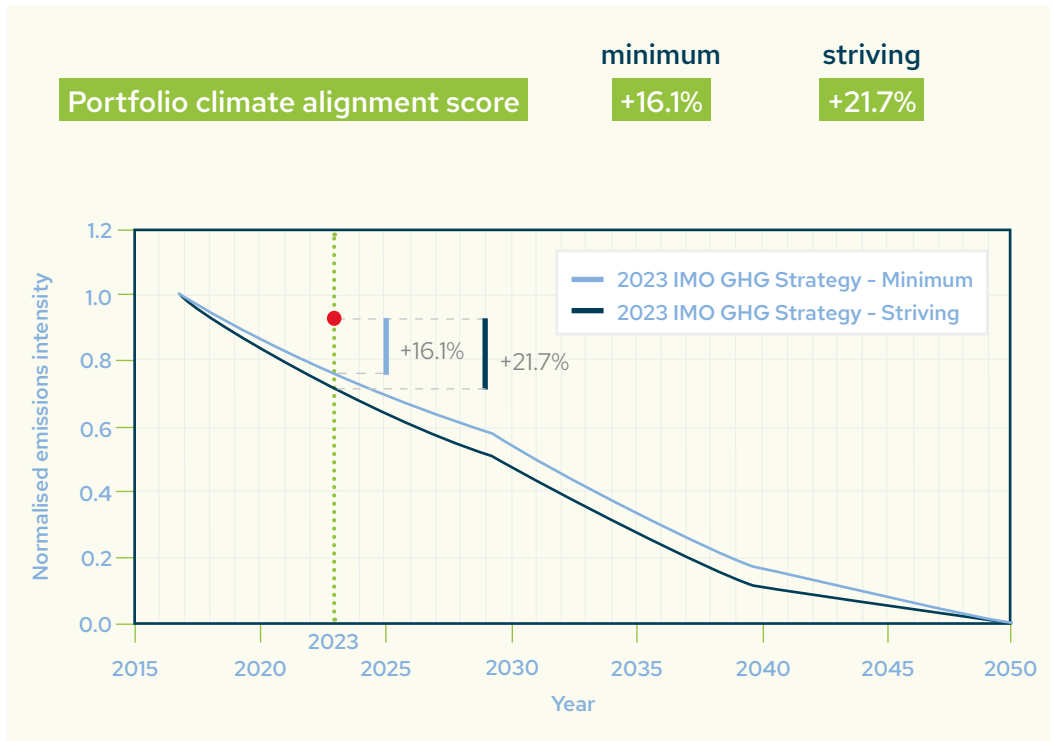
### How will the Poseidon Principles influence your business activities and decision-making in the future?

Sparebanken Vest has ambitious goals with a net zero emission target within 2040 as our overall target. Our internal target for our shipping portfolio is to be aligned with the Striving Poseidon Principles trajectory. We use the Poseidon Principles in dialogue with our clients both when discussing Action Plans and Sustainability Linked Loans. The Poseidon Principles gives us a valued benchmark for each vessel type, making us able to compare and look at trends over time. We are however aware that AER as calculation method has some challenges, and would appreciate if CII correction factors also could apply for Poseidon Principle calculations.



We continuously strive to encourage our clients to make sustainable choices to ensure long-term competitiveness. We firmly believe that transition finance is an essential tool to decarbonise hard-to-abate sectors such as shipping, where there yet do not exist readily available zero carbon solutions.

Marion Remoy , SVP - Ocean Industries



# Standard Chartered Bank



Signatory as of April 2021

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

We are delighted that our climate alignment score has improved significantly from +11.8% in 2023 to +3.2% in 2024 against the 2023 IMO GHG Minimum trajectory, bringing Standard Chartered closer to its 0% alignment delta by 2030 target.

With CII's implementation since 2023, it is encouraging to see this IMO regulation translate into better fuel versus distance data collected from our clients, who are now actively incentivised to achieve lower emission intensity scores.

Looking ahead, we are keen to observe the impact of EU ETS coming into effect in 2024, especially for our clients who actively engage in European trade and see how a carbon tax mechanism translates into next year's Poseidon Principles reporting.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

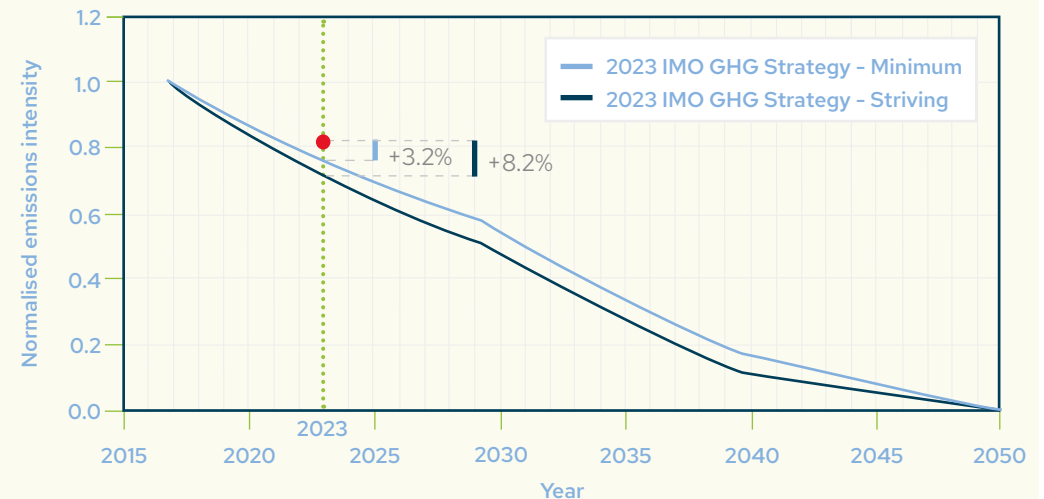
With IMO still using 50% by 2050 decarbonisation trajectories for its CII and EEXI curves today until 2025, Poseidon Principles' 2023 IMO GHG Minimum trajectory (which is based on the latest net-zero by 2050 curves) provides Standard Chartered with a more ambitious metric to evaluate potential Sustainability-Linked Loans and Transition Financing deals.

Furthermore, Standard Chartered has chosen Poseidon Principles as its Shipping industry benchmark, setting a 0% alignment delta target by 2030. As a result, the bank is incentivised to channel more capital into best-in-class greener vessels and potentially divesting away from older fuel-inefficient ships, unless they are retrofitted with Energy Saving Technologies. This will aid in driving decarbonisation for this hard-to-abate sector.

Decarbonisation is gradually being priced into shipping markets through EU ETS and by Poseidon Principle's rising membership and influence, as market participants consider the climate alignment of both the company and the asset. We are pleased that so many of our clients have set out credible transition plans with ambitious targets and look forward to working with them to collectively achieve our net-zero targets.

Abhishek Pandey, Global Head, Transportation Finance

	minimum	striving
<b>Portfolio climate alignment score</b>	<b>+3.2%</b>	<b>+8.2%</b>
Cargo vessels climate alignment score	+3.1%	+8.1%
Passenger vessels climate alignment score	+12.7%	+18.2%



# Sumitomo Mitsui Finance and Leasing Company, Limited



Signatory as of December 2020

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

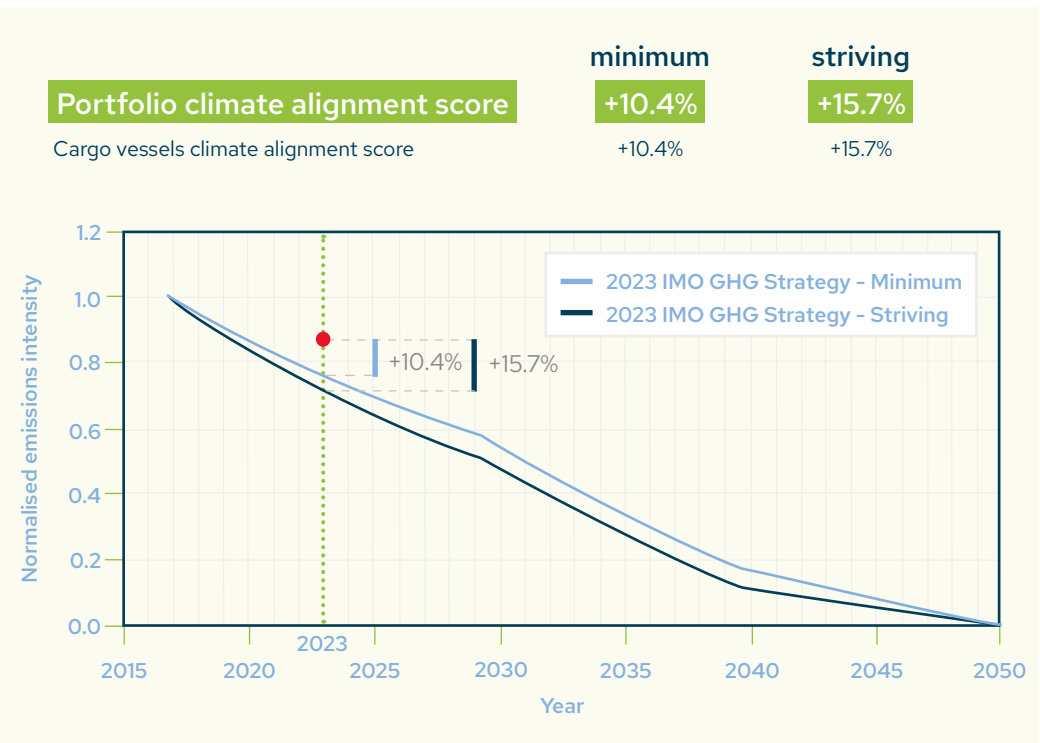
SMFL is pleased to report our climate alignment score for the fourth year as a signatory of the Poseidon Principles, continuing our commitment to contributing to achieving a decarbonised society. With the support and cooperation of our respective clients, both existing and new clients, our reporting percentage has improved from 96.5% in 2023 to 96.8% this year. Despite our alignment score for this year's report was mainly impacted by the bulk carrier segment alignment score deteriorated in 2023, overall score for the 2023 IMO GHG Strategy has improved from previous year. It becomes more important that SMFL remains focused on our climate goals and deepens our engagement to realise decarbonisation society with our respective clients.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

In order to achieve the Sustainable Development Goals (SDGs), which are part of the vision of SMFL's management philosophy, we have been closely monitoring our portfolio alignment score. We believe more work is required to achieve the Poseidon Principles trajectories. SMFL is focused on supporting the revised IMO target strategy through our decision-making discussions which aim at improving our portfolio alignment score which support the sustainability transition of the maritime industry and our respective clients to realise a decarbonised society.

SMFL will continue and enhance to drive our business with respective maritime clients in the context of contributing to the efforts to build a carbon-free and renewable energy-based in the maritime industry and the society, which align with SMFL and our Group's long-term vision as a responsible corporate citizen and to continue being a chosen business partner for future generations.

Shinichiro Watanabe, Senior Managing Executive Officer



# Sumitomo Mitsui Trust Bank, Limited



Signatory as of March 2020

Reporting percentage: 91.9%

## What are your key takeaways from your climate alignment score?

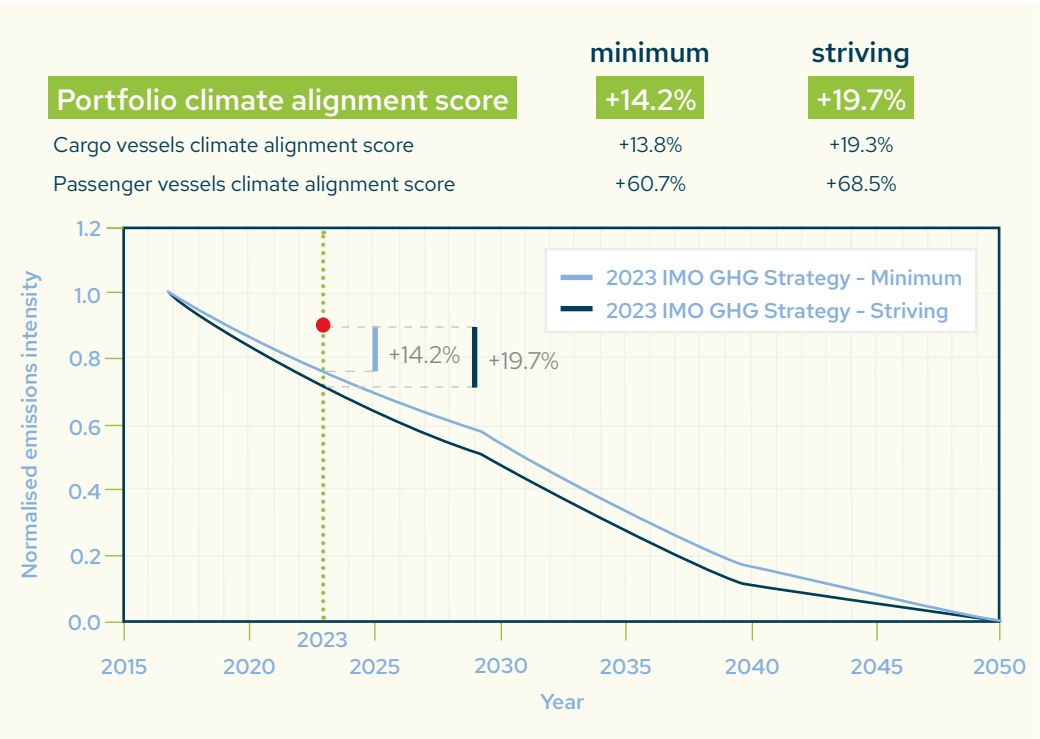
Thanks to the support and cooperation of our clients, we have successfully completed the climate alignment calculation and are pleased to report the fourth year result. While we managed to improve our climate alignment score compared to the previous year, we recognise again how ambitious it would be to realise "GHG net zero by 2050". We will try our best to achieve the ultimate goal of GHG net zero by 2050, while also focusing on keeping dialogues with various stakeholders to support the transition phase of decarbonisation.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

We believe that it is a very important step to understand the status of our shipping portfolio in terms of its climate impact and the degree to which it contributes to decarbonisation of the maritime industry. Granular analysis of our portfolio alignment score will help us understand in detail how each vessel in different sectors performs and will give us useful insights for the future sector-specific strategy of our shipping finance business. In addition to the single year result, the development of the portfolio alignment scores every year, and the accumulation of data will provide valuable intelligence to enable us to shape our future high-level strategy across the maritime industry over the longer term.

// We are delighted to announce this year's result of the climate alignment calculation. As one of the leading global shipping finance banks, we believe that we can continue to support our clients whilst also playing a significant role in encouraging decarbonisation of the maritime industry. Our public Carbon Neutral Commitment and adherence to the Poseidon Principles is a testament to that commitment

Masaya Noda, Global Head, Managing Executive Officer, Global Head of Ship Finance



# Swedbank



Signatory as of February 2024

Reporting percentage: 100%

## What are your key takeaways from your climate alignment score?

Swedbank is pleased to have become the 35th signatory of Poseidon Principles earlier in 2024. Thereby, the bank can better measure the environmental impact of its shipping portfolio and support customers to transition. The initial set of climate alignment scores map the areas in which financed emissions are aligned with decarbonisation trajectories – and where the bank can work with its customers to improve the future climate alignment.

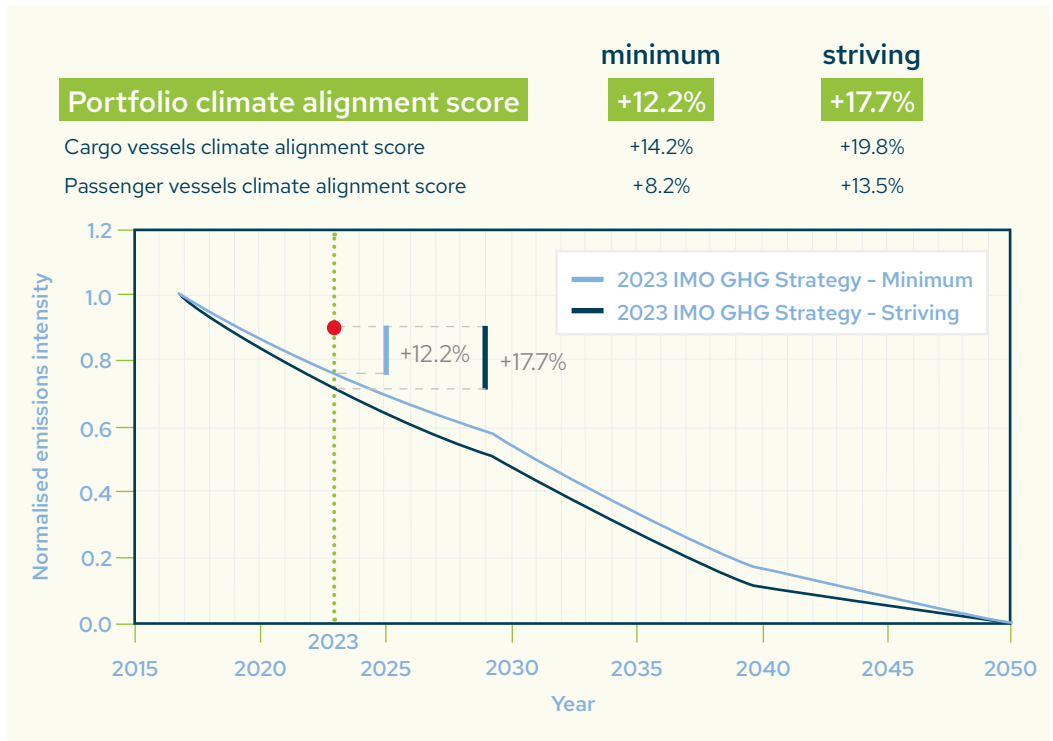
## How will the Poseidon Principles influence your business activities and decision-making in the future?

As a next step to signing up to the Poseidon Principles, Swedbank adopted a climate target for its shipping portfolio. In line with its overall target to achieve net-zero emissions by 2050, Swedbank will strive for full climate alignment of the shipping portfolio by 2030. Hence, the Poseidon Principles methodologies will be utilised as one of several decision criteria in new business evaluation.



Swedbank is an important lender to the shipping industry. Our role is to be an active partner to our customers, supporting their ongoing transition. Being a Poseidon Principles signatory enhances our ability to impact this process.

Niels R. Bugge, Head of Ocean Industries



# THE CHUGOKU BANK, LTD.



Signatory as of October 2023

Reporting percentage: 69.3%

## What are your key takeaways from your climate alignment score?

Our climate alignment score is +10.5% (2023 IMO GHG Strategy - Minimum trajectory), we recognised how ambitious it is to achieve net zero GHG emissions by 2050. The study also found that analysing characteristics such as vessel types and age would provide a better understanding.

## How will the Poseidon Principles influence your business activities and decision-making in the future?

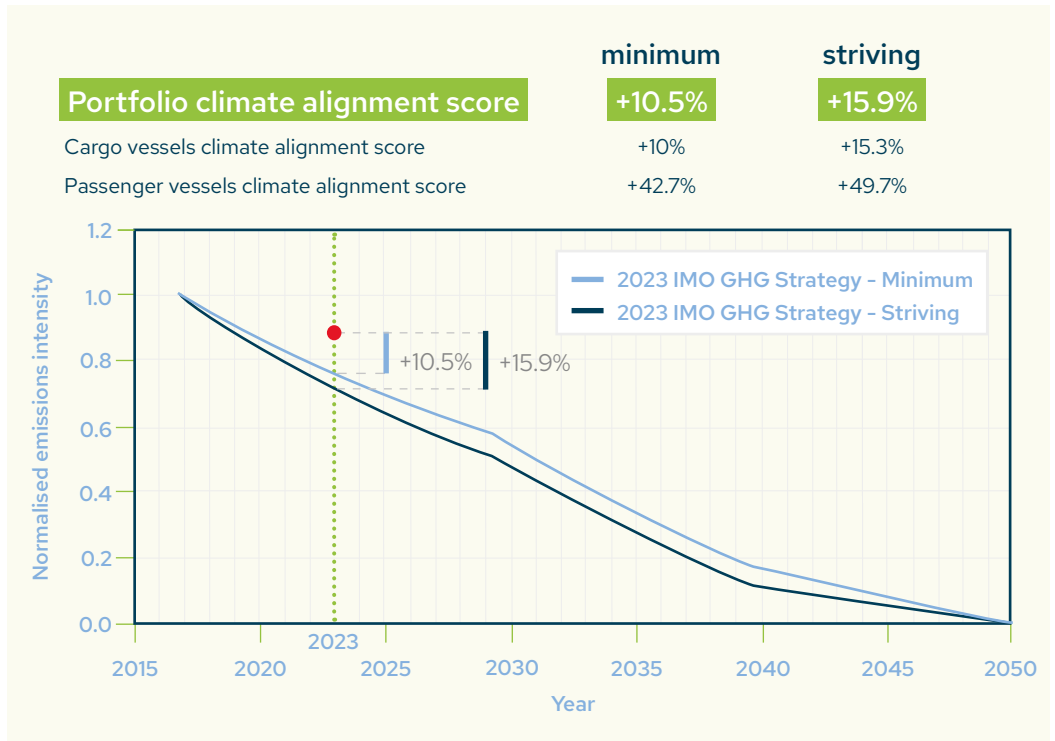
This is the first time we have collected data and disclosed scores. While we will need to discuss how to reflect this in our operations and decision-making, we intend to closely analyse these results and use them, along with the data from the next year and beyond, in future strategic lending to the shipping sector.

Our climate alignment score is +10.5% (2023 IMO GHG Strategy - Minimum trajectory). We recognise how ambitious it is to achieve net zero GHG emissions by 2050. The study also found that analysing characteristics such as vessel types and age would provide a better understanding.



We signed the Poseidon Principles last year and are pleased to be able to make our first report. Shipping is an essential industry for Japan as an island nation. We hope to contribute to the growth and competitiveness of our clients' businesses by supporting the decarbonisation of marine transportation.

Masahiro Okazaki, General Manager of Consulting Business Department



# THE HIROSHIMA BANK, LTD.



Signatory as of October 2023

Reporting percentage: 65.8%

## What are your key takeaways from your climate alignment score?

By joining the Poseidon Principles as a Japanese regional financial institution, being able to access to such informative tool, it has provided us with a clearer understanding of the contributions to GHG reduction in our ship finance portfolio. Through data analysis under the Poseidon Principles framework, we are gaining insights into the challenges we face, which provides us with more comprehensive and multidimensional perspective. We believe that the annual analysis of our portfolio alignment score will enable us to shape long-term approach, and we will work closely with local clients to identify our concrete steps as a regional financial institution committed to their sustainable growth and development.

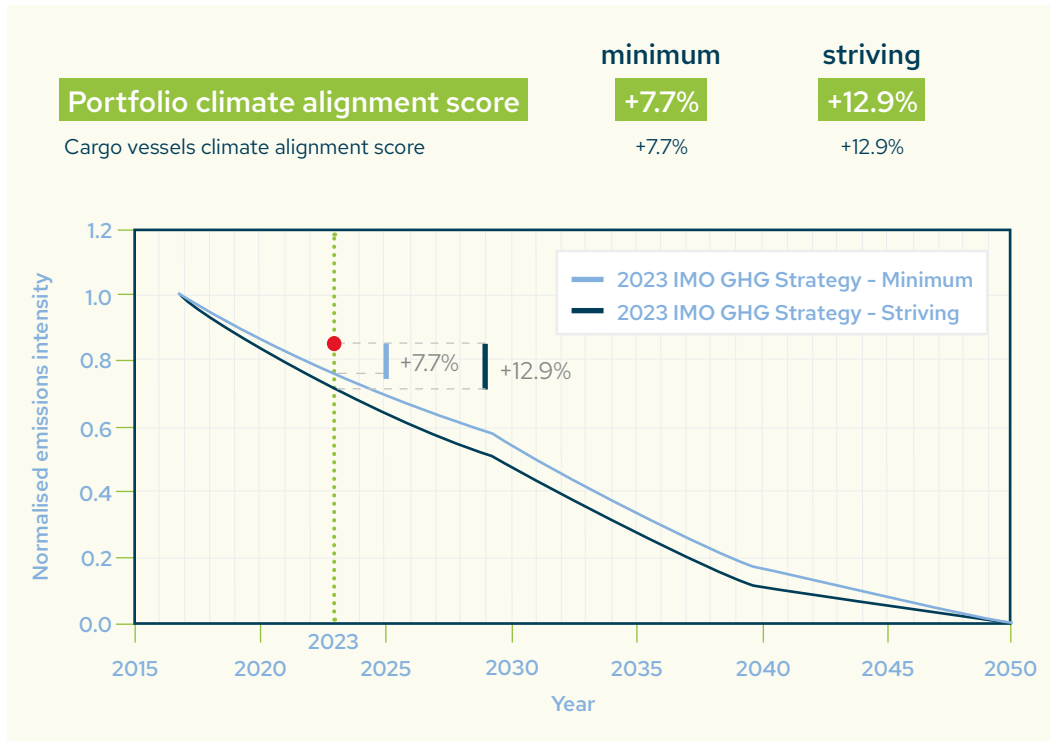
## How will the Poseidon Principles influence your business activities and decision-making in the future?

As this is our initial data report, it has provided us with quantitative insights that are beneficial for engaging with our clients. We will communicate with local clients to develop our actionable plan, reinforcing our commitment as a regional financial institution to support their sustainable growth and advancement.



We are pleased to announce our first year result of the portfolio alignment score and we appreciate for those who supported our data collection. Joining the Poseidon Principles as the Japanese regional financial institution, we hope to apply this valuable data to deepen discussions with our local clients.

Masayuki Okamura, General Manager of Shipping Finance Division





# THE IYO BANK, LTD.

Signatory as of October 2023

Reporting percentage: 55.5%

## What are your key takeaways from your climate alignment score?

We understand that our climate alignment score is not bad, but our portion of activities reported is 55.5% which is very low. We are trying to obtain more data for 2024 so that we can do further analysis.

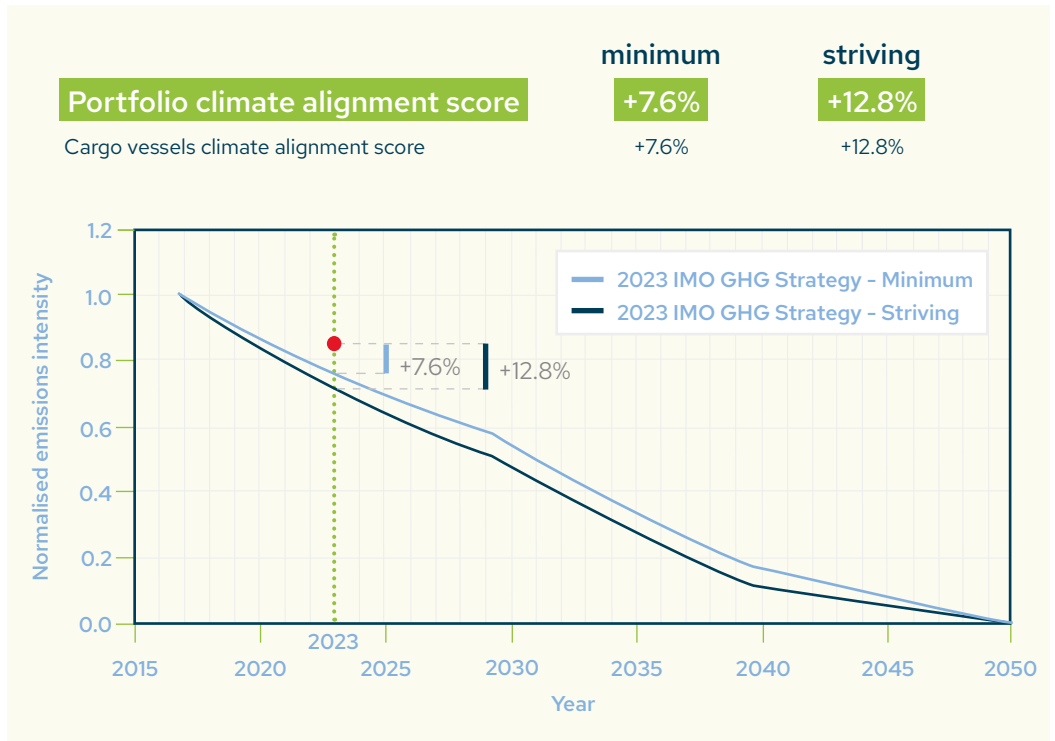
## How will the Poseidon Principles influence your business activities and decision-making in the future?

As this is the first annual report for us, we are discussing how to use the climate alignment score for our decision making.



We are pleased to share our first annual report. We keep supporting our clients for their transition plans.

Tetsuya Matsuzaki, General Manager of Ship Finance Division



# UBS AG



Signatory as of January 2020

Reporting percentage: 97.0%

## What are your key takeaways from your climate alignment score?

This is the fourth year of disclosure under the Poseidon Principles and the first time reporting in the name of UBS AG. The result is based on the Credit Suisse AG\* portfolio as of the end of 2023 and therefore precedes the completion of the legal merger of the two firms. This year's reported alignment deltas are reflective of IMO's revised GHG reduction ambition with underlying methodology adopted by Poseidon Principles in 2023 as further updated in the reporting year.

We are pleased with yet another year in which we experienced a strong reporting level and responsiveness of our clients with further improving data quality which is a testimony of the established Poseidon Principles as well as regulatory frameworks, such as IMO DCS and IMO CII rating system.

The results continue to be materially driven by, and may fluctuate each reporting year due to, the continuous implementation and tightening of regulations, a broader adoption of technical improvement measures as well as the limited direct influence over operational aspects by ship owners and reporting financial institutions. In the long term, we expect that technology-related aspects of decarbonisation, such as the adoption and availability of new low-emission technology and related fuel supply, could further drive the portfolio alignment performance.

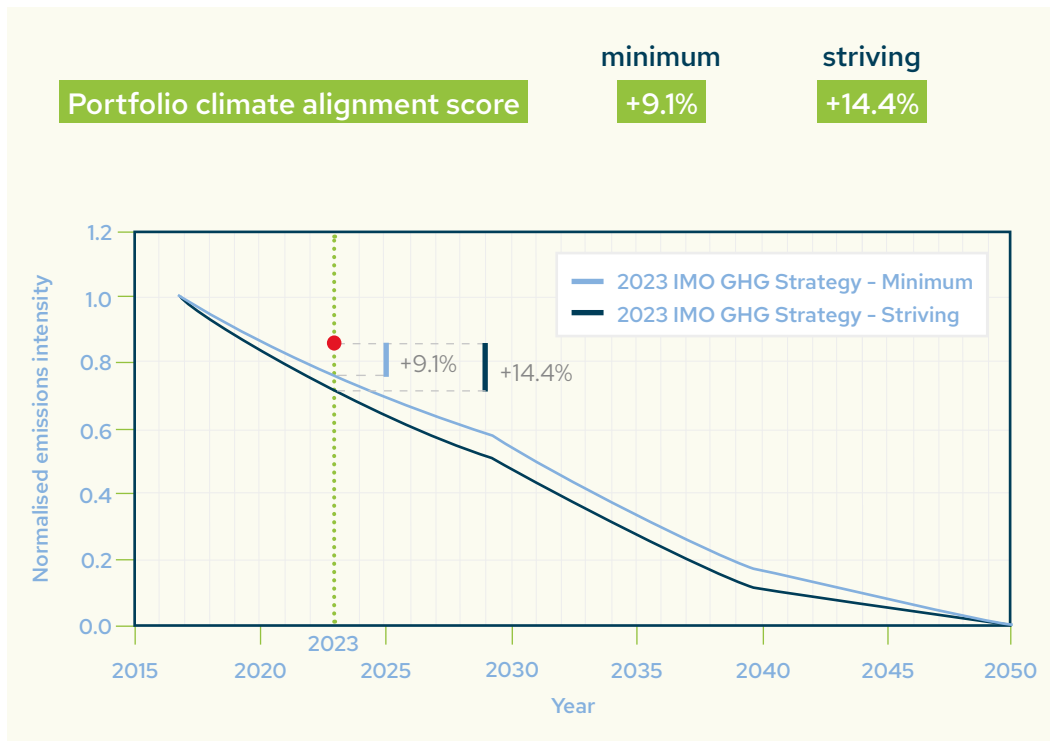
## How will the Poseidon Principles influence your business activities and decision-making in the future?

The Poseidon Principles continue to be a relevant factor in our overall client and transaction due diligence. Related processes and tools have been further refined and embedded in our organisation.

By understanding our clients' decarbonisation strategies better, we continue to work closely alongside them to support their climate transition efforts. Thereby, the improvement of data availability and transparency and the continuous participation in decarbonisation initiatives, including the Poseidon Principles, support our client discussions as well as portfolio optimisation.

// This year's report marks our fourth disclosure under the Poseidon Principles. The strong response rate and data provided reflects the heightened awareness among clients as well as the increasingly established regulatory frameworks underlying the reporting processes. Our results remain driven by the increased IMO GHG reduction ambition, continuous technical optimisation measures undertaken by clients, the changing overall portfolio composition as well as operational factors beyond the control of ship owners and its financiers. We continue the dialogue with our clients to support their financing needs in alignment with the IMO ambition.

Mario Béhé and Christian Wieser, Co-Heads Ship Finance



\*UBS Group AG completed the merger of UBS AG and Credit Suisse AG on 31 May 2024. On this day Credit Suisse AG has been deregistered in the Commercial Register of the Canton of Zurich and has ceased to exist as a separate entity.

# Key terms

**Absolute emissions** refer to the total amount of GHG emitted by a given entity.

**AER** is the **Annual Efficiency Ratio**, an emissions intensity metric used in the shipping industry. The Poseidon Principles uses the AER metric adapted to include upstream emissions as well as the impact of methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O), as written in the Technical Guidance.

**cgDIST** is the **capacity gross ton distance**, which is the same calculation as AER but uses gross tonnage instead of deadweight at maximum summer draught. For the Poseidon Principles, this calculation is used in place of AER for cruise, ferry-RoPax, ferry pax-only and vehicle vessels.

**Climate alignment** is the degree to which a vessel, product, or portfolio's emissions intensity is in line with a decarbonisation trajectory that meets the corresponding IMO ambition.

**CO<sub>2</sub>** is the abbreviation for **carbon dioxide**. In this report, it represents the carbon dioxide emitted and does not include other greenhouse gases.

**CO<sub>2</sub>e** is the abbreviation for **carbon dioxide equivalent**. In this report, it represents the greenhouse gases emitted expressed in terms of the equivalent measurement of carbon dioxide.

**Decarbonisation trajectories** are representations of pathways to reduce emissions over time.

The decarbonisation trajectories used in the Poseidon Principles are produced for each vessel type by the Secretariat based on agreed and clearly stated assumptions.

**Emissions intensity** is the total emissions in relation to another relevant unit. For the Poseidon Principles, this is represented by the AER or cgDIST, and is a representation of the total well-to-wake emissions generated to satisfy a supply of transport work in grams of CO<sub>2</sub>e per tonne-nautical mile (gCO<sub>2</sub>e/dwt-nm or gCO<sub>2</sub>e/gt-nm).

**GHG** stands for **greenhouse gas**. These gases absorb and emit infrared radiation, which plays a major role in regulating the Earth's temperature. Major greenhouse gasses include CO<sub>2</sub>, CH<sub>4</sub> (methane), and N<sub>2</sub>O (nitrous oxide).

**International Maritime Organization (IMO)** is a specialised agency of the United Nations, and the global standard-setting authority for the safety, security and environmental performance of international shipping.

**IMO Data Collection System (DCS)** is the IMO's MARPOL Annex VI Data Collection System for Fuel Consumption.

**Reporting percentage** is the percentage of the portfolio in scope that signatories include in their climate alignment calculations, based on debt outstanding.

**Signatory** is a financial institution or ECA that is a member of the Poseidon Principles Association. This means all the completed onboarding requirements have been accepted by the Secretariat and publicly announced.

**Tank-to-wake emissions** are from fuel combustion on board a vessel, or "operational emissions".

**Technical Guidance** is the fundamental document of the Poseidon Principles describing the principles and the methodology, accessible on the Poseidon Principles website.

**2018 IMO GHG Strategy** is also known as the 'Initial IMO Strategy on reduction of GHG emissions from ships', and was adopted on 13 April 2018. This introduced the overarching ambition for the total annual GHG emissions from international shipping to decline by at least 50% by 2050 compared to levels in 2008.

**2023 IMO GHG Strategy** is also known as the '2023 IMO Strategy on Reduction of GHG Emissions from Ships' or the 'Revised IMO GHG Strategy' and was adopted on 7 July 2023. This revised the original 2018 GHG Strategy and GHG emissions from international shipping to reach net-zero emissions by or around, i.e., close to, 2050.

**Well-to-wake emissions** are from the full life cycle of fuel production and use. This accounts for emissions from vessel operation and upstream activities like fuel extraction, production, transport, and bunkering.

# References

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Environmental Defense Fund. (2024).

[Green Shipping and Sustainable Finance: Stronger Together.](#)

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# Acknowledgements

The Annual Disclosure Report 2024 was developed by the Secretariat and the Advisory of the Poseidon Principles Association. Special thanks to all the **signatories, Steering Committee and Technical Committee members** who, through a continuous review of the methodology, ensure that the Poseidon Principles remain practical, effective, and ambitious.

The Poseidon Principles is one of three initiatives based on the same four Principles and developed with the Global Maritime Forum. Together with the Poseidon Principles for Marine Insurance and the Sea Cargo Charter, they share a common objective: fostering transparency on emissions reporting with the aim of contributing to reducing GHG emissions

## Secretariat



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 Parnica Srimal, Project Assistant  
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Edited by Justin Cremer, Senior Communications Manager

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