

# THE POSEIDON PRINCIPLES

## Reporting Requirements

Information Flow Step	Preferred Pathways Track	Checklist
<p><b>1. Source IMO DCS Data and SoC</b></p>	<p><u>Data is sourced from Recognized Organizations (ROs)</u></p> <p>The Signatory has the ROs source the IMO DCS data for the vessels in its portfolio with the consent of the shipowner. The following data fields are required from the RO(s) for each vessel<sup>1</sup> in a Signatory's portfolio:</p> <ol style="list-style-type: none"> <li>1. Fuel oil consumption, by fuel oil type (metric tonnes)</li> <li>2. Distance travelled (nautical miles)</li> <li>3. DWT</li> <li>4. Statement of Compliance (SoC) / Verification Letter</li> </ol> <p><i>What the Signatory does:</i> Obtains consent from the shipowner for the RO(s) to release the IMO DCS data stated above pertaining to vessels it holds as loan collateral for release from the encrypted database.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Consent from the shipowner</li> <li><input type="checkbox"/> Request data from the RO with the IMO numbers</li> </ul> <p>Received from the RO<sup>2</sup>:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Data</li> <li><input type="checkbox"/> SoC / Verification Letter</li> </ul>
<p><b>2. AER Calculation and Vessel Alignment Calculation</b></p>	<p><u>RO performs AER and vessel alignment calculations</u></p> <p>Using the IMO DCS data from the RO, the IMO carbon factor and the standard decarbonization trajectories from the Secretariat, the AER calculation and vessel alignment are performed and given to the Signatory.</p> <p><i>What the Signatory does:</i> The Signatory agrees with the RO that the RO will perform the calculations on behalf of the Signatory.</p> <p>(p. 28-29 in the technical guidance)</p>	<p>Received from the RO</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> AER</li> <li><input type="checkbox"/> Alignment Delta</li> </ul>

<sup>1</sup> Signatories must measure the climate alignment of their **business activities**, defined as any credit product—including bilateral loans, syndicated loans, club deals, and guarantees—that is secured by vessel mortgage(s) or finance lease secured by title over vessel(s) or unmortgaged ECA loans tied to a vessel. This includes vessels that fall under the purview of the IMO DCS (i.e., vessels 5,000 gross tonnage and above which have an established Poseidon Principles trajectory whereby the carbon intensity can be measured with IMO DCS data)

<sup>2</sup> If a Signatory chooses to use a secure data platform or the same RO/class society for all vessels, all data will then be transferred to the Signatory at once in step 2, rather than in step 1.



<p><b>3. Portfolio Alignment Calculation</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Using the vessel climate alignment data from step 2 and the Signatory's loan book data, the Signatory performs the portfolio alignment calculation internally.</p> <p>(p. 30-31)</p>	<p style="text-align: center;"><u>RO or other 3<sup>rd</sup> Party</u></p> <p>The Signatory outsources the calculation to either a RO or other 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Select a RO/independent 3<sup>rd</sup> party</li> <li>2. Send climate alignment data and loan book data for all vessels within the scope of the Poseidon Principles.<sup>3</sup></li> </ol> <p>After the RO/3<sup>rd</sup> party performs the calculation, the Signatory will receive a portfolio alignment score. (p. 30-31)</p>	<p>Regardless if the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.</p>
<p><b>4. Disclosure</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Signatory prepares disclosures and submits the information to the Secretariat.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. State portfolio climate alignment score (this is the only number that will be publicly disclosed).</li> <li>2. State the % of the eligible shipping portfolio where data was unable to be collected. This is known as % non-reporting (referring to the % of debt, leases, or guarantees in the portfolio, not the % of vessels).</li> <li>3. State the % of the portfolio which used preferred pathways, and what % used allowed pathways. The providers should also be named here, if any were used.</li> </ol> <p>(Disclosure – p. 33, alignment calculation – p. 19)</p> <p style="text-align: center;"><i>See also the enclosed template</i></p>		<p>Submit to the Secretariat:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Climate alignment score</li> <li><input type="checkbox"/> % of portfolio non-reporting</li> <li><input type="checkbox"/> % of portfolio for which Preferred pathway tracks are used</li> <li><input type="checkbox"/> % of portfolio for which Allowed pathways are used</li> <li><input type="checkbox"/> Providers used for each step</li> </ul>

<sup>3</sup> Note: some entities may have applications that keep loan book data within the firewall of the bank so that only climate alignment data is sourced from the cloud.



Information Flow Step	Allowed Pathways Track		Checklist
<p><b>1. Source IMO DCS Data and SoC</b></p>	<p style="text-align: center;"><u>Shipowner</u></p> <p>The Shipowner provides the data and the SoC / Verification Letter to the Signatory directly.</p> <p><i>What the Signatory does:</i> Ask its clients to provide the IMO DCS data and the SoC / Verification Letter “as submitted to the IMO DCS” to reduce the risk of error.<sup>4</sup></p> <p>The following data fields and form are required for each ship in a Signatory’s portfolio:</p> <ol style="list-style-type: none"> <li>1. Fuel oil consumption, by fuel oil type (metric tonnes)</li> <li>2. Distance travelled (nautical miles)</li> <li>3. DWT</li> <li>4. Statement of Compliance (SoC) form / Verification Letter</li> </ol> <p><i>The Signatory receives:</i> The above information (1-4).</p>		<ul style="list-style-type: none"> <li><input type="checkbox"/> Consent from the shipowner</li> <li><input type="checkbox"/> Request data from the shipowner with the IMO numbers</li> <li><input type="checkbox"/> Request the SoC / Verification Letter</li> </ul> <p>Received from the shipowner</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Data</li> <li><input type="checkbox"/> SoC / Verification Letter</li> </ul>
<p><b>2. AER Calculation and Vessel Alignment Calculation</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Using the verified IMO DCS data from step 1, the Signatory performs the calculation of carbon intensity (AER) and climate alignment (alignment delta) for each vessel.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Download the decarbonization trajectories from PoseidonPrinciples.org and the IMO carbon factor.</li> <li>2. Using the IMO DCS data from step 1, and the equations provided in the technical guidance, the Signatory calculates the carbon intensity (AER) and the alignment delta for all vessels in their portfolio.</li> </ol> <p>(p. 18-19 and 28-29 in the technical guidance)</p>	<p style="text-align: center;"><u>RO/3<sup>rd</sup> Party</u></p> <p>Using the verified data from step 1, the Signatory outsources the calculation of carbon intensity (AER) and climate alignment (alignment delta) for the vessels to a RO or independent 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Send IMO DCS data to a RO or independent 3<sup>rd</sup> party.</li> </ol> <p><i>What the Signatory receives:</i></p> <ol style="list-style-type: none"> <li>1. Carbon intensity (AER)</li> <li>2. Alignment delta</li> </ol> <p>for all vessels in the portfolio.</p> <p>(p. 28-29 in the technical guidance)</p>	<p>After the calculations, the Signatory has:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Carbon intensity (AER)</li> <li><input type="checkbox"/> Alignment delta</li> </ul> <p>for all vessels in their portfolio.</p>

<sup>4</sup> Note: some entities may have the capability to have owner data directly uploaded into an application, circumventing the collection of data by the bank from each owner.



<p><b>3. Portfolio Alignment Calculation</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Using the vessel climate alignment data from step 2 and Signatory’s loan book data, the Signatory performs the portfolio alignment calculation internally.</p> <p>(p. 30-31)</p>	<p style="text-align: center;"><u>RO or other 3<sup>rd</sup> Party</u></p> <p>The Signatory outsources the calculation to either a RO or other 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Select a RO/independent 3<sup>rd</sup> party</li> <li>2. Send climate alignment data and loan book data for all vessels within the scope of the Poseidon Principles.<sup>5</sup></li> </ol> <p>After the RO/3<sup>rd</sup> party performs the calculation, the Signatory will receive a portfolio alignment score.</p> <p>(p. 30-31)</p>	<p>Regardless of whether the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.</p>
<p><b>4. Disclosure</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Signatory prepares disclosures and submits the information to the Secretariat.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. State portfolio climate alignment score (this is the only number that will be publicly disclosed).</li> <li>2. State the % of the eligible shipping portfolio where data was unable to be collected. This is known as % non-reporting (referring to the % of debt, leases, or guarantees in the portfolio, not the % of vessels).</li> <li>3. State the % of the portfolio which used preferred pathways, and what % used allowed pathways for each step. The providers should also be named here, if any were used.</li> </ol> <p>(Disclosure – p. 33, alignment calculation – p. 19)</p> <p style="text-align: center;"><i>See also the enclosed template</i></p>		<p>Submit to the Secretariat:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Climate alignment score</li> <li><input type="checkbox"/> % of portfolio non-reporting</li> <li><input type="checkbox"/> % of portfolio for which Preferred pathway tracks are used</li> <li><input type="checkbox"/> % of portfolio for which Allowed pathways are used</li> <li><input type="checkbox"/> Providers used for each step</li> </ul>

<sup>5</sup> Note: some entities may have applications that keep loan book data within the firewall of the bank so that only climate alignment data is sourced from the cloud.



## Template for disclosure

(see worked example on p. 33 of the technical guidance)

TO BE INCLUDED IN THE REPORT AND SHARED PUBLICLY	
<b>Portfolio Climate Alignment Score (the total score)</b>	
<b>Questions for the report</b> (150 word max, please answer all questions and highlight desired answer to be included in the report):	
<b>What are your key takeaways from your climate alignment score?</b>	
<b>How have the Poseidon Principles influenced your business activities and decision-making, or how will they inform these areas in the future?</b>	
<b>Quote from head of shipping or similar</b> (approx. 50 words):	



FOR INTERNAL USE ONLY		
Institution name	% of portfolio for which Preferred pathway tracks are used	% of portfolio for which Allowed pathways are used
Step	Preferred	Allowed
	Providers used	Providers used
<b>1. Source IMO DCS Data and SoC</b>		
<b>2. AER Calculation and Vessel Alignment Calculation</b>		
<b>3. Portfolio Alignment Calculation</b>		
<b>% non-reporting</b>		
<b>Non-reporting categories</b>	<input type="checkbox"/> Complete refusal <input type="checkbox"/> Less active relationship, or missing relationship (ex. external management of vessels) <input type="checkbox"/> Change of owner, sale of the asset <input type="checkbox"/> Repayment of loan	
<b>Comments on non-reporting (optional)</b>		
<b>Additional information (optional)</b>		
<b>Does your institution have an internal decarbonization target that is more ambitious than the Poseidon Principles? If so, which one?</b>		
<b>Would your institution like to include this target on your Signatory page in the report?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No	