THE POSEIDON PRINCIPLES
Reporting Requirements

Information Flow Step	Preferred Pathways Track	Checklist
1. Source IMO DCS Data and SoC	<u>Data is sourced from Recognized Organizations (ROs)</u> 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[1] in a Signatory's portfolio: 1. Fuel oil consumption, by fuel oil type (metric tonnes) 2. Distance travelled (nautical miles) 3. DWT 4. Statement of Compliance (SoC) / Verification Letter *What the Signatory does:* 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.	☐ Consent from the shipowner ☐ Request data from the RO with the IMO numbers Received from the RO[2]: ☐ Data ☐ SoC / Verification Letter
2. AER Calculation and Vessel Alignment Calculation	<u>RO performs AER and vessel alignment calculations</u> Using the IMO DCS data from the RO, the IMO carbon factor and the standard decarbonisation trajectories from the Secretariat, the AER calculation and vessel alignment are performed and given to the Signatory. *What the Signatory does:* The Signatory agrees with the RO that the RO will perform the calculations on behalf of the Signatory. (p. 28-29 in the Technical Guidance)	Received from the RO ☐ AER ☐ Alignment delta

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[1] 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).

[2] 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.

	Internal	RO or other 3rd Party	
3. Portfolio Alignment Calculation	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. 30-31)	The Signatory outsources the calculation to either a RO or other 3rd party. *What the Signatory does:* 1. Select a RO/independent 3rd party 2. Send climate alignment data and loan book data for all vessels within the scope of the Poseidon Principles.[3] After the RO/3rd party performs the calculation, the Signatory will receive a portfolio alignment score. (p. 30-31)	Regardless if the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.

	Internal		
4. Disclosure	Signatory prepares disclosures and submits the information to the Secretariat. *What the Signatory does:* 1. State portfolio climate alignment score(s) - *publicly disclosed*. 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) - *publicly disclosed*. 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. (Disclosure – p. 33, alignment calculation – p. 19) *See also the Signatory Reporting Template*		Submit to the Secretariat: ☐ Climate alignment score ☐ % of portfolio non-reporting ☐ % of portfolio for which pr eferred pathway tracks are used ☐ % of portfolio for which al lowed pathways are used ☐ Providers used for each step ☐ Optional: climate alignment scores splitted by cargo or passenger vessels

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[3] 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
1. Source IMO DCS Data and SoC	<u>Shipowner</u> The Shipowner provides the data and the SoC / Verification Letter to the Signatory directly. *What the Signatory does:* 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.[4] The following data fields and form are required for each ship in a Signatory's portfolio: 1. Fuel oil consumption, by fuel oil type (metric tonnes) 2. Distance travelled (nautical miles) 3. DWT 4. Statement of Compliance (SoC) form / Verification Letter *The Signatory receives:* The above information (1-4).		☐ Consent from the shipowner ☐ Request data from the shipowner with the IMO numbers ☐ Request the SoC / Verification Letter Received from the shipowner ☐ Data ☐ SoC / Verification Letter
2. AER Calculation and Vessel Alignment Calculation	<u>Internal</u> 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. *What the Signatory does:* 1. Download the decarbonisation trajectories from poseidonprinciples.org and the IMO carbon factor. 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. (p. 18-19 and 28-29 in the Technical Guidance)	<u>RO/3rd Party</u> 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 3rd party. *What the Signatory does:* 1. Send IMO DCS data to a RO or independent 3rd party. *What the Signatory receives:* 1. Carbon intensity (AER) 2. Alignment delta for all vessels in the portfolio. (p. 28-29 in the Technical Guidance)	After the calculations, the Signatory has: ☐ Carbon intensity (AER) ☐ Alignment delta for all vessels in their portfolio.

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[4] 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.

3. Portfolio Alignment Calculation	<u>Internal</u> Using the vessel climate alignment data from step 2 and Signatory's loan book data, the Signatory performs the portfolio alignment calculation internally. (p. 30-31)	<u>RO or other 3rd Party</u> The Signatory outsources the calculation to either a RO or other 3rd party. *What the Signatory does:* 1. Select a RO/independent 3rd party 2. Send climate alignment data and loan book data for all vessels within the scope of the Poseidon Principles.[5] After the RO/3rd party performs the calculation, the Signatory will receive a portfolio alignment score. (p. 30-31)	Regardless of whether the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.
4. Disclosure	<u>Internal</u> Signatory prepares disclosures and submits the information to the Secretariat. *What the Signatory does:* 1. State portfolio climate alignment score - *publicly disclosed*. 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) - *publicly disclosed*. 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. (Disclosure – p. 33, alignment calculation – p. 19) *See also the enclosed template*	Submit to the Secretariat: ☐ Climate alignment score ☐ % of portfolio non-reporting ☐ % of portfolio for which preferred pathway tracks are used ☐ % of portfolio for which al lowed pathways are used ☐ Providers used for each step ☐ Optional: climate alignment scores splitted by cargo or passenger vessels.

[5] 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.