

## Poseidon Principles

Amaliegade 33B, 3rd floor  
1256 Copenhagen K  
Denmark

T: +45 3840 1800  
info@poseidonprinciples.org  
www.poseidonprinciples.org



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We, the Poseidon Principles Association (for Financial Institutions), recognise the challenges facing the maritime sector's path to decarbonisation in the global transition of the maritime economy to reach zero lifecycle emissions. Ahead of the IMO's upcoming Maritime Protection Environment Committee meeting (MEPC80) we want to reiterate the statement we made in September 2022 during UN Climate Week. We recognise the emergency of climate change and our role in promoting responsible environmental stewardship throughout the maritime value chain. The decarbonisation of shipping can only happen with the urgency and scale needed with policy support from governments and international regulators.

We note the commitment given by the G7 Climate, Energy and Environment Ministers set out in their Sapporo Communique on April 16 "to strengthen global efforts to achieve GHG lifecycle zero emissions from international shipping by 2050 at the latest" and their commitment to support this target by "introducing intermediate targets for 2030 and 2040 for the revised IMO GHG strategy during the upcoming IMO's 80<sup>th</sup> session of the Maritime Environment Committee (MEPC80), in line with efforts to limit the temperature increase to 1.5C above pre-industrial levels."

The Poseidon Principles Association represents organisations providing two thirds of the debt finance in international shipping and for fleets operating across both developed and developing economies. Our members voluntarily and individually commit to measure and report annually on the carbon intensity of their own portfolios, using the reports of fuel consumption and shipping activity as submitted to the International Maritime Organisation (IMO)'s Data Collection System (DCS), relative to a decarbonisation trajectory. Based on the founding principles of our initiatives (Assessment, Accountability, Enforcement and Transparency) this is to help ensure consistency and best practice in measurement of GHG emissions in a transparent way, to support efforts needed to minimise the cost and disruption of international shipping's decarbonisation.

As noted by the IMO Secretariat in the document MEPC 80 – INF. 10, achieving a more ambitious decarbonisation pathway is maximised by 'a clear signal of demand'. That clear signal is most effectively sent with aligned private-sector and regulatory ambitions. Therefore, at this crucial MEPC80 meeting we urge the Maritime Environment Protection Committee to provide the leadership to clarify the ambitions for science-based, 1.5-aligned intermediate and 2050 targets in its Revised Strategy, so that the cross sector engagement between all parties, including governments and regulators, can accelerate the process to benefit society as a whole, given the importance of maritime emissions to all sectors' Scope 3 emissions, and the importance of a smooth and minimum cost decarbonisation to the continued sustainable growth in trade.

Michael Parker,  
Chair, Poseidon Principles

Paul Taylor,  
Vice Chair, Poseidon Principles

Stephen Fewster,  
Treasurer, Poseidon Principles