

## Poseidon Principles Associate Membership FAQ

The Poseidon Principles, a framework for assessing and disclosing the climate alignment of ship finance portfolios, is expanding its membership. Associate membership offers financial institutions that may not be ready or able to disclose this information the opportunity to demonstrate their support for the objectives of the Poseidon Principles and the goals of the international shipping industry.

### What are the Poseidon Principles?

The Poseidon Principles are a global framework for quantitatively assessing and disclosing whether a lending portfolio aligns with the International Maritime Organization's (IMO) decarbonisation ambitions. Financial institutions lending to the international shipping industry were the first in any sector to set out such a framework in global climate finance. Lenders in other sectors, such as steel, aluminium and aviation, subsequently created their own frameworks. The Poseidon Principles are consistent with the policies and ambitions of the IMO, including its revised 2023 GHG Strategy, which aims for net-zero emissions from international shipping by or around 2050.

### What institutions can join the Poseidon Principles?

The ecosystem of shipping finance extends beyond the scope of signatories, so the framework is evolving to include additional perspectives and support. As of 15 December 2025, there are two types of membership within the PPA: signatories and associate members. The scope of membership and financial products included in reporting may be expanded by signatories on a timeline at their discretion.

#### Signatories:

Applicable to relevant lenders, lessors, and financial guarantors, including export credit agencies (ECA). Signatories must report on all business activities:

- 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
- where a vessel or vessels fall under the purview of the IMO, e.g., vessels engaged in international voyages with a gross tonnage of 5,000 and above that have an established Poseidon Principles trajectory whereby the emissions intensity can be measured with IMO DCS data.

#### Associate membership:

Applicable to financial institutions that underwrite and arrange transactions for the shipping industry in the debt and equity capital markets, including hedge funds and private equity firms, that wish to signal their support for the objectives of the Poseidon Principles. This includes financial institutions whose business activities fall outside the current reporting scope (for example, those that lend on an unsecured basis) or those not ready to report the climate alignment of their secured exposure.

### What is the objective of the Poseidon Principles?

The Poseidon Principles aim to bring together committed financial institutions and establish a standard set of principles to help members integrate climate considerations into lending decisions. The four principles of assessment, accountability, enforcement, and transparency are designed to ensure that lending practices align with the climate-related goals set by IMO.

To achieve this, signatories commit to implementing the principles in their internal policies, procedures, and standards, and report the climate alignment of their portfolios annually. Associate members signal their support for the Poseidon Principles and are encouraged to use them internally but have no formal reporting requirements. This enables a wider range of financial institutions (such as investment banks, private equity firms, etc.), to be involved and support the industry in meeting its climate goals. Associate members who are able to report will be encouraged to do so within the first three years of their membership and become a signatory within a reasonable timeline.

Climate alignment is currently the only environmental factor considered by the Poseidon Principles, however the scope is intended to evolve over time based on the interests of the members and the international shipping community. The key to this transparency initiative is collaboration between lenders and their clients. Collaboration with shipowners and shipping companies continues in other work being developed by the Poseidon Principles Association (PPA) Future Principles Committee, which examines important issues for the maritime community beyond decarbonisation.

### What are the four principles?

1. **Assessment:** Requires assessment of portfolio climate alignment and defines methodology for calculation.
2. **Accountability:** Relies on IMO standards and recognised organisations for the provision of data across all signatories.
3. **Enforcement:** Inclusion of a mechanism which ensures access to high-quality data from clients securely.
4. **Transparency:** Publication of information in the Annual Disclosure Report and individual corporate reports.

Associate members demonstrate support for the four principles above and participate in relevant activities of the Association. In addition, associate members will be encouraged to utilise the methodology where appropriate to be transparent about their activities in their own reporting processes.

### What are the benefits of joining as an associate member?

There are many benefits to joining the PPA as an associate member. This includes:

- Joining a leading climate alignment initiative tailored for shipping that has set the standard for transparent disclosure and inspired other industries (i.e., steel, aviation, aluminium).
- Connecting with peers and joining a network of like-minded organisations. The PPA has 36 signatories as of November 2025, which represents approximately 80% of the global ship finance market.
- Gaining access to peer learning opportunities, including exchanging expertise and best practices from members in different geographies.
- Accessing deep insights into the Poseidon Principles methodology and participating in working groups and other meetings to give input into core methodology evolution.
- Being able to use transparent, well-defined data collection methods that help with the strategic management of maritime assets and internal decision-making.
- Getting the necessary support to facilitate internal capacity building as a stepping stone to prepare for a potential transition to signatory membership within a reasonable timeline (i.e., develop internal systems, knowledge, and data infrastructure to prepare for future reporting requirements).
- Signalling support to ESG topics, the efforts made by the international shipping industry to decarbonise, and the IMO GHG ambition.
- Using the Poseidon Principles methodology, branding, and logo (which is trademarked) for inclusion in

internal and external corporate reports, websites, social media, etc.

- Being included as a member on the Poseidon Principles website and other materials as relevant.

### How will associate members contribute to the Poseidon Principles Association?

Associate members will be invited to participate in all Association activities and attend all relevant PPA events and meetings (including an in-person Annual Meeting in the spring, and a virtual All Members Meeting in the fall). Associate members will also be able to join relevant working groups and will be encouraged to actively contribute to the development of the Poseidon Principles.

Associate members will be encouraged to use the methodology where appropriate to be transparent about their activities in their own reporting processes. Calculating climate alignment in accordance with the four principles will not be a requirement, so associate members will not disclose information for the PPA Annual Disclosure Report at this stage. Organisations that join as associate members and can report on secured exposure will be encouraged to do so as a signatory within the first three years of joining.

Associate members will be able to bring their views and ideas to the attention of the Steering Committee in accordance with the Governance Rules, however associate members will not be entitled to vote nor become officers or members of the Steering Committee of the PPA.

### When and why was associate membership created?

The formation of associate membership was approved at the Annual Meeting of the PPA in May 2025, to enable financial institutions that do not meet the criteria for signatories to be able to report the alignment of their secured exposure, or who are not yet ready to do so, to express their support for the goals and ambitions of the Association. Any financial institution that provides or arranges capital for the maritime sector, including private equity firms and hedge funds, is eligible to apply for associate membership.

With an evolving landscape for climate finance and following the acknowledgement from SBTi and the NZBA that the Poseidon Principles set the standard for shipping finance disclosure; the Steering Committee of the PPA and its signatory membership believe the time is now right for broader institutions in the financial sector helping to provide or arrange finance for shipping to show their public support for the goals of the Poseidon Principles and participate in the activities where they can.

### How do the Poseidon Principles relate to the IMO?

The Poseidon Principles aim to support the decisions of the IMO and the overall direction and priorities of the international shipping industry, which is why the decarbonisation trajectories used within the Poseidon Principles are aligned with the decarbonisation goals set by the IMO's 2023 GHG Strategy.

While the work of the IMO guides the Poseidon Principles, it does not dictate them. For example, the postponement of the Net-Zero Framework at MEPC 83 in October does not impact the Poseidon Principles. Other transparency initiatives, such as those led by SBTi and the NZBA, now acknowledge that the Poseidon Principles set the standard for shipping finance disclosure. This contributes to one of many reasons for the launch of the associate membership, to allow anyone in the financial sector helping to provide or arrange finance for shipping to show their public support for the goals of the Poseidon Principles and participate in the activities where they can. The methodology will continue to evolve as available data and transparency increases, and as the IMO addresses the necessary regulations to implement its ambition.

## HOW TO JOIN

### How do I become an associate member?

Companies wishing to become an affiliate member of the Poseidon Principles must submit the **Standard Declaration for Associate Members**, **Membership Agreement**, and the **Application** to the Secretariat of the Poseidon Principles Association. All relevant documents are available from the Secretariat. Reach out to the Secretariat at [info@poseidonprinciples.org](mailto:info@poseidonprinciples.org) for these documents and more information.

### What is the purpose of the standard declaration?

The **Standard Declaration for Associate Members** is the formal commitment required of the financial institution to become an associate member. It announces the intent of the financial institution to support the Poseidon Principles.

### What is the purpose of the application?

The **Application** outlines the primary contacts responsible for reporting, invoicing and other necessary functions so that the Poseidon Principles are implemented and maintained by the financial institution.

### What is the purpose of the membership agreement?

The **Membership Agreement** is the formal agreement between the financial institution and the Poseidon Principles Association for the institution to become a member of the Association. By signing the membership agreement, the new member agrees to abide by the Association's Governance Rules.

### What are the fees for signatories and associate members?

For **signatories**:

- The sign-on fee for 2026 is €12,000 and is paid once to the Poseidon Principles Association when becoming a signatory.
- The annual fee for 2025 is €10,000 and is paid annually to the Poseidon Principles Association in accordance with the Governance Rules.
- In the first year of membership, the annual Fee is required in addition to the sign-on fee.

For **associate members**, fees are half of the signatories' fees:

- The sign-on fee for 2026 is €6,000 and is paid once to the Poseidon Principles Association when becoming an associate member.
- The annual fee for 2026 is €5,000 and is paid annually to the Poseidon Principles Association in accordance with the Governance Rules.
- In the first year of membership, the annual fee is required in addition to the sign-on fee.