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POSEIDON PRINCIPLES

# Guidance for voluntary reporting by associate members in the marine insurance sector

**Version 1.0**
**November 2026**

## BACKGROUND

In December 2025, the Poseidon Principles broadened its membership framework by introducing associate membership, enabling a wider range of financial institutions (such as hedge funds, private equity firms and other institutions involved in shipping finance outside of the current reporting scope) to engage with the initiative. Following this development, and based on interest from the marine insurance industry, in May 2026, signatories agreed to expand associate membership to include marine insurance organisations as well. This decision was made to enhance cross-sector collaboration and unify the financial services sector's approach to climate transparency and decarbonisation.

Associate membership is applicable to:

(a) Financial institutions that underwrite and arrange transactions for the shipping industry in the debt and capital markets, including hedge funds and private equity firms or those institutions that have business activities outside the current reporting scope (for example, those that lend on an unsecured basis).
(b) Financial institutions that have business activities that do fall within the reporting scope but are not ready to report the climate alignment of their portfolio (in this case, adjusting membership to a signatory will be encouraged within three years).
(c) Institutions which provide insurance products or conduct other business activities relevant to the marine insurance industry in relation to vessels within the reporting scope. This includes, but is not limited to, insurers, insurance unions, associations, or federations, such as P&I Clubs, insurance brokers, and reinsurers

**Voluntary reporting is only available to associate members who provide insurance products or conduct other business activities relevant to the marine insurance industry in relation to vessels within the reporting scope (i.e., those which fall into category (c) listed above).**

Associate members are expected to follow the **Technical Guidance** (version 5.2 for reporting in 2026) to calculate and disclose climate alignment, with some exceptions to accommodate the different business scope as outlined in the rest of this document. The main difference is that estimated emissions data is to be sourced by a third-party data provider, rather than relying on IMO DCS data as signatories do.

Estimated versions of vessel and portfolio climate alignment values may be able to be provided directly by a third-party data provider. Third-party providers should be directed to follow the Technical Guidance and can use this document for assistance. There are no specific third-party providers that the Poseidon Principles Association recommends, nor endorses, to complete this work. Sourcing estimated data must be done on an individual basis, and costs are not included in membership fees to the Poseidon Principles Association.

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# GUIDANCE FOR VOLUNTARY REPORTING

## Reporting timeline

Those associate members who wish to voluntarily report must follow the same reporting timeline as signatories. The **Associate Member Voluntary Reporting Template - Marine Insurance Sector** is due to the secretariat on 15 November. The voluntarily disclosed information is then published as relevant in a distinct section of the Annual Disclosure Report on the Poseidon Principles website before 30 December.

## Reporting scope

The Poseidon Principles methodology can be applied voluntarily by associate members that provide insurance products or conduct other business activities relevant to the marine insurance industry. Associate members should select the product type (i.e., H&M, P&I, cargo insurance, etc.) with the largest coverage (i.e., the largest total number of vessels) and apply the methodology where:

1. The vessel is covered on 1 October of the emission year.
2. The vessel has an established Poseidon Principles trajectory[1], for which emissions intensity can be measured with IMO Data Collection System (DCS) data (i.e., any vessel that falls under the purview of the IMO and is required to submit data to the IMO DCS, which includes vessels 5,000 GT and above engaged in international voyages).

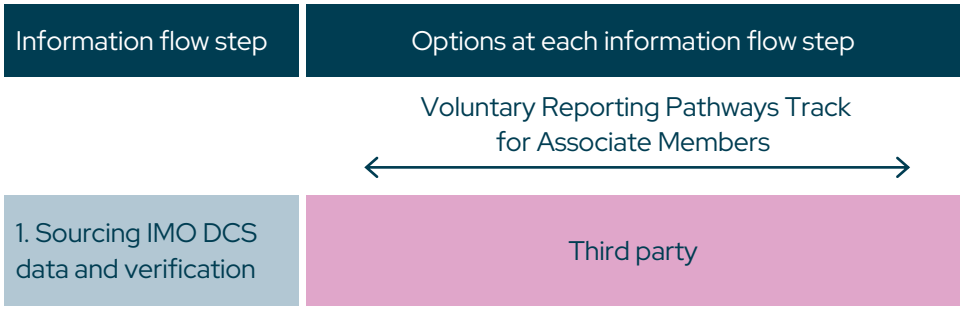
## Requirements at each information flow step

It is expected that associate members in marine insurance who choose to report voluntarily will follow the Technical Guidance Section 3.3, which outlines the requirements for each of the four information flow steps, with adjustments in Step 1: Sourcing IMO DCS data and verification, and Step 3: Calculating portfolio climate alignment, as further detailed below.

| Information flow step | Options at each information flow step | | |
|---|---|---|---|
| | Voluntary Reporting Pathways Track for Associate Members ⟷ | | |
| 1. Sourcing IMO DCS data and verification | Third party | | |
| 2. Calculating vessel emissions intensity and climate alignment | Third party | | |
| 3. Calculating portfolio climate alignment | Internal | RO | Third party |
| 4. Disclosure | Internal | | |

[1] See Table 6 and 7 on pg. 51 and 52 of the Technical Guidance v 5.2.

Step 1: Sourcing IMO DCS data and verification



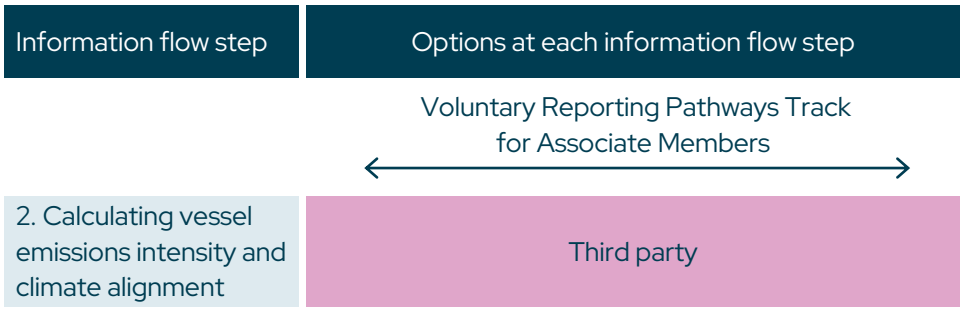

Modelled data should be used instead of IMO DCS data in this step. The decision to use modelled data rather than measured data was due to the specific nature of the marine insurance ecosystem and the difficulties in obtaining IMO DCS data (e.g., portfolio size, the role of brokers, multiple insurers covering the same fleet, etc.) and was based on the experience of the Poseidon Principles for Marine Insurance signatories.

The data required for these calculations includes the:

- amount of fuel consumption for each type of fuel in metric tonnes;
- distance travelled;
- hours underway; and
- technical characteristics of the ship, including deadweight at maximum summer draught.

Data should be sourced from an independent third-party data provider on an individual basis. There are no specific third-party providers that the Poseidon Principles Association recommends, nor endorses, to complete this work. Associate members are free to choose and disclose which third party they work with as they see fit. There are no requirements for associate members to use the Standard Covenant Clause. It is recommended that all data used be verified in accordance with the IMO regulations, but there are no requirements to obtain a Statement of Compliance or a Verification Letter.

Step 2: Calculating vessel emissions intensity and climate alignment




Vessel emissions intensity and climate alignment calculations can be performed by the same or a different independent third party as used in step 1. Sections 2.2 and 2.3 of the Technical Guidance must be followed to calculate vessel-level emissions intensity and climate alignment.

Equation 2 (page 15 of the Technical Guidance, below) must be used to calculate vessel emissions intensity. Either Annual Efficiency Ratio (AER) or capacity gross tonne distance (cgDIST) is used, based on vessel type, and is calculated in a well-to-wake perspective.

- **$Ce_i$** is the carbon equivalent emissions for voyage **i**. Well-to-wake emissions factors to be used are available in Table 8 on pages 54-55.[2]
- **dwt** is the deadweight at maximum summer draught. For vessels which use gross tonnage (GT) as their carrying capacity, GT is used instead of dwt to calculate cgDIST.
- **$D_i$** is the distance travelled of voyage **i**. AER or cgDIST is computed for all voyages performed over a calendar year.

$$AER = \frac{\sum_i Ce_i}{\sum_i dwt D_i}$$

**Equation 2**

Equation 3 (page 16 of the Technical Guidance) must be used to calculate vessel climate alignment ($\Delta_i$).

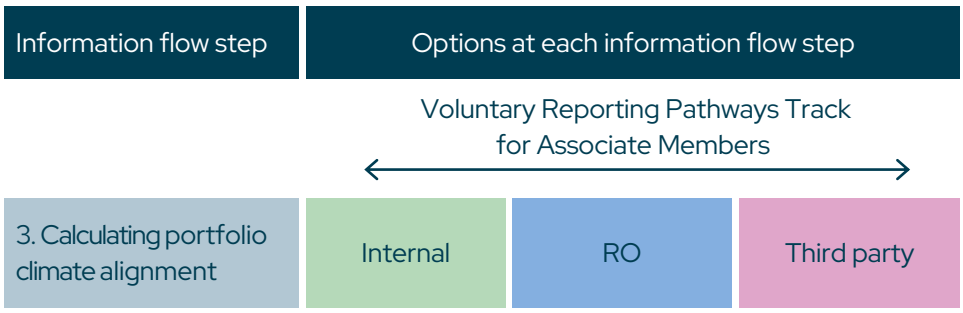
- **$x_i$** is the emissions intensity of vessel **i** (AER or cgDIST, calculated with Equation 2)
- **$r_s$** is the required emission intensity set by the IMO GHG strategy. The decarbonisation trajectories to calculate the required emissions intensity ($r_s$) are available in Appendix 3 on pages 50 to 52.[3]

$$\Delta_i = \left( \frac{x_i - r_s}{r_s} \right) 100$$

**Equation 3**

Calculations shall be based on a full calendar year, however, where a shipowner was the owner of (or responsible for) a vessel for only part of a calendar year, and where IMO DCS data is therefore not furnished for the full year, the emissions intensity calculations may be based on a period shorter than a calendar year. For additional special guidance on calculations, see pages 19 and 20 of the Technical Guidance.

Step 3: Calculating portfolio climate alignment




[2] Associate members, and the third party they work with, are expected to use the best of their ability to choose the most appropriate well-to-wake factor for each fuel type. Supplementary guidance on choosing well-to-wake emission factors for fuels not listed in the Technical Guidance, including blended fuels, is available from the secretariat.

[3] The Poseidon Principles is currently evaluating cruise trajectories based on the cgHRS metric, in alignment with IMO discussions. These trajectories may also be tested by associate members with cruise exposure to understand the impact of using this metric. However, the cgHRS trajectories cannot be used in the published portfolio score. Reach out to the secretariat for more information if you would like to test these additional cruise trajectories.

The calculation of portfolio climate alignment using the vessel climate alignment data from step 2 and specific portfolio information. Calculations can be performed internally, by ROs or other independent third parties. Equation 4 on page 18 of the Technical Guidance should be followed, with one exception to the value of $\mathbf{w_i}$.

$$\Delta_p = \sum_{i=1} w_i \Delta_i$$

**Equation 4**

For signatories $\mathbf{w_i}$ is the outstanding loan amount as a share of the total debt outstanding in the portfolio. Since relevant associate members' business activities do not involve any outstanding debt, the portfolio-level calculation should instead be based on the share of deadweight covered by the product type. This means in Equation 4, $\mathbf{w_i}$ should be replaced with the equation below (the vessel's deadweight multiplied by its share, divided by the total deadweight share of vessels being reported):

$$\mathbf{w_i} = (DWT_i * share_i) / (\Sigma\ DWT_i * share_i)$$

Step 4: Disclosure

| Information flow step | Options at each information flow step |
|---|---|
| | Voluntary Reporting Pathways Track for Associate Members |
| 4. Disclosure | Internal |

Associate members interested in voluntarily reporting should prepare the disclosure information internally using the Associate Member Voluntary Reporting Template and submit it to the secretariat by 15 November. The information voluntarily disclosed will be displayed in a distinct section of the Poseidon Principles Annual Disclosure Reports. In general, the disclosure by associate members will be displayed similarly to that of signatories, but in a more condensed form.

The only required information for associate members to disclose is the two portfolio climate alignment scores (against the minimum and striving trajectories). The following information may also be disclosed on a voluntary basis, but is not required:

- answers to open-ended questions;
- a quote from the head of shipping or whoever is most relevant;
- the reporting percentage; and/or
- which third-party providers are used.

Note that the percentages above should be calculated relative to the relevant deadweight share in the portfolio, rather than the number of vessels.

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## WORKED EXAMPLE

Below is a worked example covering the activity year (emission year) 2024.

| IMO Number (**i**) | DWT | Share | Actual emissions intensity ($x_i$) (gCO2e/tnm) | 2023 IMO GHG Strategy - Minimum | | 2023 IMO GHG Strategy - Striving | | DWT*share (metric tonnes) | $w_i$ |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Required emissions intensity ($r_s$) (gCO2e/tnm) | Vessel alignment score ($\Delta_i$) | Required emissions intensity ($r_s$) (gCO2e/tnm) | Vessel alignment score ($\Delta_i$) | | |
| ###### | 45,000 | 0.2 | 6.81 | 5.23 | 30.4% | 4.93 | 38.3% | 9,000 | 0.20 |
| ###### | 59,000 | 0.2 | 5.20 | 4.42 | 17.7% | 4.16 | 24.8% | 11,800 | 0.26 |
| ###### | 230,000 | 0.1 | 1.46 | 2.75 | -46.9% | 2.59 | -43.7% | 23,000 | 0.52 |
| ###### | 8,000 | 0.1 | 32.23 | 29.89 | 7.8% | 28.18 | 14.4% | 800 | 0.02 |

The actual emissions intensity for each vessel (AER or cgDIST, $x_i$) is calculated using Equation 2 and the relevant well-to-wake emission factors in the Technical Guidance.

The required emissions intensities ($r_s$ – two values, one for the minimum trajectory, and one for the striving trajectory) are calculated using the required emissions intensity equation and relevant coefficients from Tables 6 and 7 in the Technical Guidance, the year of activity (2024), and vessel size.

The vessel alignment scores ($\Delta_i$ - two values, one for the minimum trajectory, and one for the striving trajectory) are calculated using Equation 3.

The total share of DWT in the portfolio is 44,600 metric tonnes. Portfolio climate alignment is calculated with Equation 4 with $w_i$ as explained in this document. This results in an overall portfolio alignment of -13.2% relative to the minimum trajectory and -8.0% relative to the striving trajectory.