POSEIDON PRINCIPLES FOR MARINE INSURANCE
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 consumption (metric tonnes) & type 2. Hours underway (hrs) 3. Distance travelled (nautical miles) 4. Ship particulars (including DWT at maximum summer draught) 5. Statement of Compliance (SoC) / Verification Letter[3] *What the Signatory does:* Obtains consent from the shipowner for the RO(s) to release the IMO DCS data stated above pertaining to each and every relevant insurance agreement.	☐ Consent from the shipowner ☐ Request data from the RO with the IMO numbers Received from the RO[2]: ☐ Data ☐ SoC / Verification Letter[3]
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. (Technical Guidance p. 39-40)	Received from the RO ☐ AER ☐ Alignment delta

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[1] Signatories must measure the climate alignment of their **business activities**, where (1) the insurance products cover hull and machinery, (2) the Signatory is the leading insurer, as well as an cases where the Signatory is a follower, but the lead is also a fellow Signatory, (3) a vessel or vessels which have an established Poseidon Principles trajectory whereby the carbon intensity can be measured with IMO Data Collection System (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.

[3] Signatories are encouraged but not required to collect the SoC or Verification Letter.

3. Portfolio Alignment Calculation	Internal Using the vessel climate alignment data from step 2 and the Signatory's portfolio data (i.e., deadweight and the insurer's share of vessels insured), the Signatory performs the portfolio alignment calculation internally. (Technical Guidance p. 41-42)	RO or other 3rd Party 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 policy information for all vessels within the scope of the Poseidon Principles. After the RO/3rd party performs the calculation, the Signatory will receive two portfolio alignment scores. (Technical Guidance p. 41-42)	Regardless if the calculation is performed internally or externally, the Signatory will have the portfolio alignment scores at the end.
4. Disclosure	Internal Signatory prepares disclosures and submits the information to the Secretariat. *What the Signatory does:* 1. State portfolio climate alignment score (this is the only number that will be 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 share of vessel's deadweight insured, not the % of vessels). The ratio of when you are a follower/leader insurer is also included. 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. (Technical Guidance p. 43-45) *Use the Signatory Reporting Template when submitting the data to the Secretariat*	Submit to the Secretariat: ☐ Climate alignment scores ☐ % of portfolio non-reporting ☐ % of where the Signatory is a lead/follower ☐ % of portfolio for which Preferred pathway tracks are used ☐ % of portfolio for which Allowed pathways are used ☐ Providers used for each step

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[4] 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.[3] The following data fields and form are required for each ship in a Signatory's portfolio: 1. Fuel consumption (metric tonnes) & type 2. Hours underway (hrs) 3. Distance travelled (nautical miles) 4. Ship particulars (including DWT at maximum summer draught) 5. Statement of Compliance (SoC) / Verification Letter[4] *The Signatory receives:* The above information (1-5).		☐ Consent from the shipowner ☐ Request data from the shipowner with the IMO numbers ☐ Request the SoC / Verification Letter[4] Received from the shipowner ☐ Data ☐ SoC / Verification Letter[4]
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. Acquire decarbonisation trajectories from the Secretariat. 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. (Technical Guidance p. 24-27 & p. 39-40)	<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. (Technical Guidance: p. 39-40)	After the calculations, the Signatory has: ☐ Carbon intensity (AER) ☐ Alignment delta for all vessels in their portfolio.

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[3] Note: some entities may have the capability to have owner data directly uploaded into an application, circumventing the collection of data by the insurer from each owner.

[4] Signatories are encouraged but not required to collect the SoC or Verification Letter.

3. Portfolio Alignment Calculation	<u>Internal</u> Using the vessel climate alignment data from step 2 and Signatory's policy information, the Signatory performs the portfolio alignment calculation internally. (Technical Guidance p. 41-42)	<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 policy information for all vessels within the scope of the Poseidon Principles for Marine Insurance. After the RO/3rd party performs the calculation, the Signatory will receive portfolio alignment scores. (Tecnical Guidance p. 41-42)	Regardless of whether the calculation is performed internally or externally, the Signatory will have the portfolio alignment scores 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 scores (this is the only number that will be 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 share of vessel's deadweight insured, not the % of vessels). The ratio of when you are a follower/leader insurer is also included. 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. (Technical Guidance p. 43-45) *Use the Signatory Reporting Template when submitting the data to the Secretariat*		Submit to the Secretariat: ☐ Climate alignment scores ☐ % of portfolio non-reporting ☐ % of where the Signatory is a lead/follower ☐ % of portfolio for which Preferred pathway tracks are used ☐ % of portfolio for which Allowed pathways are used ☐ Providers used for each step