

# POSEIDON PRINCIPLES FOR MARINE INSURANCE

## Reporting Requirements

Information Flow Step	Preferred Pathways Track	Checklist
<b>1. Source IMO DCS Data and SoC</b>	<p style="text-align: center;"><u>Data is sourced from Recognized Organizations (ROs)</u></p> <p>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<sup>1</sup> in a Signatory's portfolio:</p> <ol style="list-style-type: none"> <li>1. Fuel consumption (metric tonnes) &amp; type</li> <li>2. Hours underway (hrs)</li> <li>3. Distance travelled (nautical miles)</li> <li>4. Ship particulars (including DWT at maximum summer draught)</li> <li>5. Statement of Compliance (SoC) / Verification Letter</li> </ol> <p><i>What the Signatory does:</i> 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.</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Consent from the shipowner</li> <li><input type="checkbox"/> Request data from the RO with the IMO numbers</li> </ul> <p>Received from the RO<sup>2</sup>:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Data</li> <li><input type="checkbox"/> SoC / Verificaiton Letter</li> </ul>
<b>2. AER Calculation and Vessel Alignment Calculation</b>	<p style="text-align: center;"><u>RO performs AER and vessel alignment calculations</u></p> <p>Using the IMO DCS data from the RO, the IMO carbon factor and the standard decarbonization trajectories from the Secretariat, the AER calculation and vessel alignment are performed and given to the Signatory.</p> <p><i>What the Signatory does:</i> The Signatory agrees with the RO that the RO will perform the calculations on behalf of the Signatory.</p> <p>[Technical Guidance p. 39-40]</p>	<p>Received from the RO</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> AER</li> <li><input type="checkbox"/> Alignment delta</li> </ul>

<sup>1</sup> 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 in 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.

<sup>2</sup> 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.

<h3>3. Portfolio Alignment Calculation</h3>	<p style="text-align: center;"><u>Internal</u></p> <p>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.</p> <p>[Technical Guidance p. 41-42]</p>	<p style="text-align: center;"><u>RO or other 3<sup>rd</sup> Party</u></p> <p>The Signatory outsources the calculation to either a RO or other 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Select a RO/independent 3<sup>rd</sup> party</li> <li>2. Send climate alignment data and policy information for all vessels within the scope of the Poseidon Principles.</li> </ol> <p>After the RO/3<sup>rd</sup> party performs the calculation, the Signatory will receive a portfolio alignment score.</p> <p>[Technical Guidance p. 41-42]</p>	<p>Regardless if the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.</p>
<h3>4. Disclosure</h3>	<p style="text-align: center;"><u>Internal</u></p> <p>Signatory prepares disclosures and submits the information to the Secretariat.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. State portfolio climate alignment score (this is the only number that will be publicly disclosed).</li> <li>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.</li> <li>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.</li> </ol> <p>[Technical Guidance p. 43-45]</p> <p><i>Use the Signatory Reporting Template when submitting the data to the Secretariat</i></p>	<p>Submit to the Secretariat:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Climate alignment score</li> <li><input type="checkbox"/> % of portfolio non-reporting</li> <li><input type="checkbox"/> % of where the Signatory is a lead/follower</li> <li><input type="checkbox"/> % of portfolio for which Preferred pathway tracks are used</li> <li><input type="checkbox"/> % of portfolio for which Allowed pathways are used</li> <li><input type="checkbox"/> Providers used for each step</li> </ul>	

Information Flow Step	Allowed Pathways Track		Checklist
<p><b>1. Source IMO DCS Data and SoC</b></p>	<p style="text-align: center;"><u>Shipowner</u></p> <p>The Shipowner provides the data and the SoC / Verification Letter to the Signatory directly.</p> <p><i>What the Signatory does:</i> 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.<sup>3</sup></p> <p>The following data fields and form are required for each ship in a Signatory’s portfolio:</p> <ol style="list-style-type: none"> <li>1. Fuel consumption (metric tonnes) &amp; type</li> <li>2. Hours underway (hrs)</li> <li>3. Distance travelled (nautical miles)</li> <li>4. Ship particulars (including DWT at maximum summer draught)</li> <li>5. Statement of Compliance (SoC) / Verification Letter</li> </ol> <p><i>The Signatory receives:</i> The above information (1-5).</p>		<ul style="list-style-type: none"> <li><input type="checkbox"/> Consent from the shipowner</li> <li><input type="checkbox"/> Request data from the shipowner with the IMO numbers</li> <li><input type="checkbox"/> Request the SoC / Verification Letter</li> </ul> <p>Received from the shipowner</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Data</li> <li><input type="checkbox"/> SoC / Verification Letter</li> </ul>
<p><b>2. AER Calculation and Vessel Alignment Calculation</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>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.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Acquire decarbonization trajectories from the Secretariat.</li> <li>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.</li> </ol> <p>(Technical Guidance p. 24-27 &amp; p. 39-40)</p>	<p style="text-align: center;"><u>RO/3<sup>rd</sup> Party</u></p> <p>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 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Send IMO DCS data to a RO or independent 3<sup>rd</sup> party.</li> </ol> <p><i>What the Signatory receives:</i></p> <ol style="list-style-type: none"> <li>1. Carbon intensity (AER)</li> <li>2. Alignment delta</li> </ol> <p>for all vessels in the portfolio.</p> <p>(Technical Guidance: p. 39-40)</p>	<p>After the calculations, the Signatory has:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Carbon intensity (AER)</li> <li><input type="checkbox"/> Alignment delta</li> </ul> <p>for all vessels in their portfolio.</p>

<sup>3</sup> 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.



<p><b>3. Portfolio Alignment Calculation</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Using the vessel climate alignment data from step 2 and Signatory’s policy information, the Signatory performs the portfolio alignment calculation internally.</p> <p>[Technical Guidance p. 41-42]</p>	<p style="text-align: center;"><u>RO or other 3<sup>rd</sup> Party</u></p> <p>The Signatory outsources the calculation to either a RO or other 3<sup>rd</sup> party.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. Select a RO/independent 3<sup>rd</sup> party</li> <li>2. Send climate alignment data and policy information for all vessels within the scope of the Poseidon Principles.</li> </ol> <p>After the RO/3<sup>rd</sup> party performs the calculation, the Signatory will receive a portfolio alignment score.</p> <p>[Technical Guidance p. 41-42]</p>	<p>Regardless of whether the calculation is performed internally or externally, the Signatory will have the portfolio alignment score at the end.</p>
<p><b>4. Disclosure</b></p>	<p style="text-align: center;"><u>Internal</u></p> <p>Signatory prepares disclosures and submits the information to the Secretariat.</p> <p><i>What the Signatory does:</i></p> <ol style="list-style-type: none"> <li>1. State portfolio climate alignment score (this is the only number that will be publicly disclosed).</li> <li>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.</li> <li>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.</li> </ol> <p>[Technical Guidance p. 43-45]</p> <p><i>Use the Signatory Reporting Template when submitting the data to the Secretariat</i></p>	<p>Submit to the Secretariat:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Climate alignment score</li> <li><input type="checkbox"/> % of portfolio non-reporting</li> <li><input type="checkbox"/> % of where the Signatory is a lead/follower</li> <li><input type="checkbox"/> % of portfolio for which Preferred pathway tracks are used</li> <li><input type="checkbox"/> % of portfolio for which Allowed pathways are used</li> <li><input type="checkbox"/> Providers used for each step</li> </ul>	