



POSEIDON PRINCIPLES

FOR MARINE INSURANCE

A global framework for responsible marine insurance

April 2025

Marine insurance is in a unique position to support decarbonisation



Risk management and mitigation

Understanding and mitigating climate-related and decarbonisation risks, like insuring new technologies, alternative fuels, and retrofitted vessels



Protection

Providing protection for people and the environment and against losses, and plays a crucial role in crisis events



Regulatory support

Following the climate ambitions set by global regulators like the IMO and increasing transparency



Prosperity of global trade

Supporting the decarbonisation journey of clients and the international shipping industry overall



How DID
WE GET
here?

APRIL 2018
IMO SETS
INITIAL
AMBITION

APRIL 2018
GMF

CLIMATE



POSEIDON PRINCIPLES
for FINANCIAL INSTITUTIONS
JUNE 2019

SEA CARGO
CHARTER
OCT 2020

POSEIDON PRINCIPLES
for MARINE INSURANCE
DEC 2021

IMO REVISED
GHG AMBITION
JULY 2023

MEASURE EMISSIONS...

TRANSPARENCY

"you CAN'T
IMPROVE
what you can't
MEASURE"

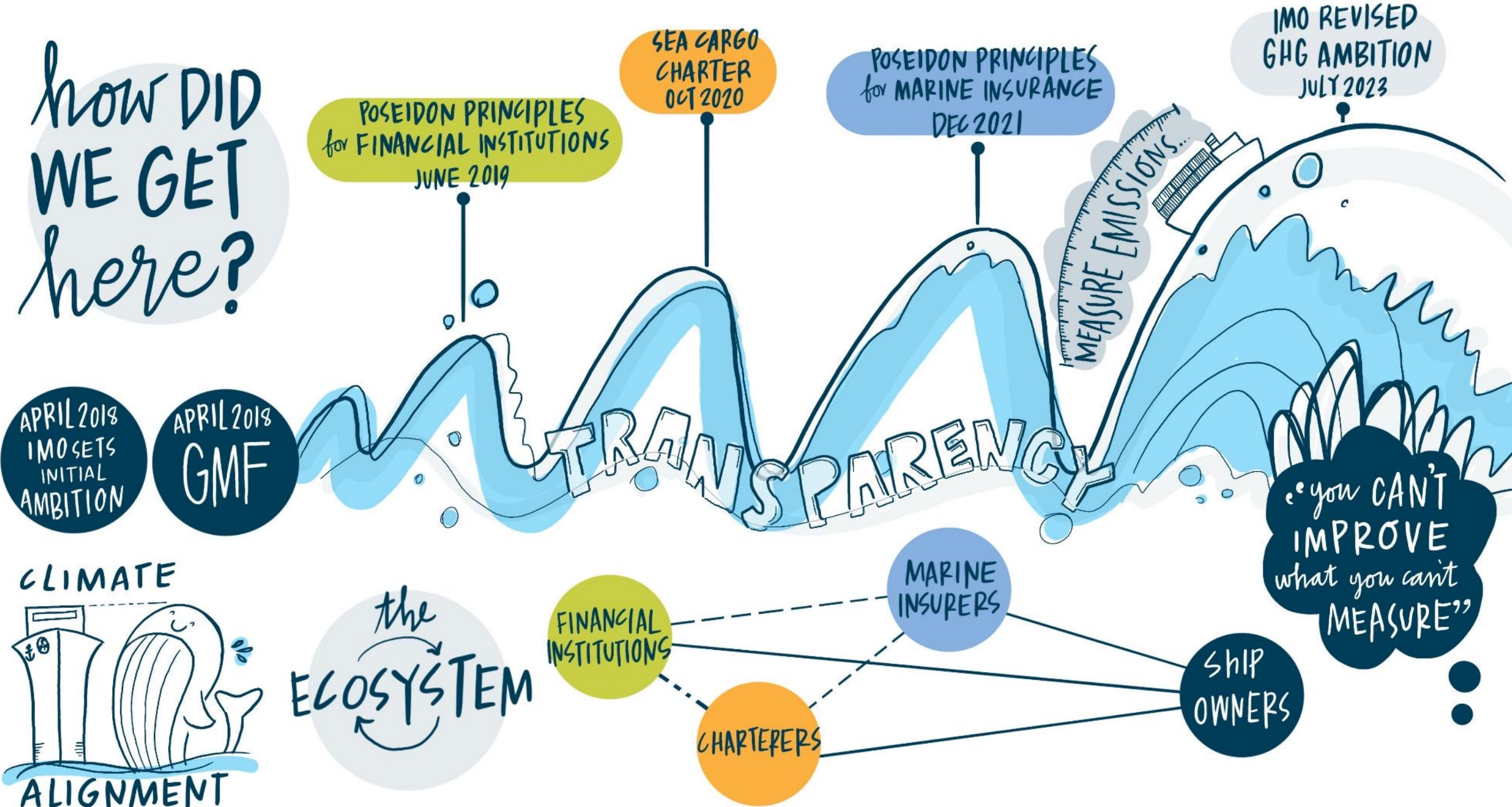
the
ECOSYSTEM

FINANCIAL
INSTITUTIONS

MARINE
INSURERS

CHARTERERS

SHIP
OWNERS



In a nutshell...

The Poseidon Principles for Marine Insurance

- Serve as a reporting framework **developed by industry** in collaboration with the Global Maritime Forum and supported by expert advisories.
- **A framework for measuring & reporting emissions** and **promoting collaboration** between financial, insurance and other shipping stakeholders.
- **Promote the decarbonisation of international shipping** by enhancing transparency and collaboration between industry leaders.
- Support the **overall direction set by the IMO**, including decarbonisation targets, and incentivise responsible business practices.

A global framework
for responsible
marine insurance

Creating common global
baselines with the aim of
integrating climate
considerations into
business activities and
supporting clients to meet
ambitions set by the IMO.

Common baselines for climate alignment made for marine insurers



What is the objective?

To create common, global baselines that are consistent with and supportive of society's goals to better enable marine insurers to align their portfolios with responsible environmental impacts.



Which environmental factors?

Climate alignment is the only environmental factor that is considered. Signatories may expand that scope in future if they choose.



Who are they for?

The Poseidon Principles for Marine Insurance are applicable to **marine insurers with H&M coverage (signatories)**, along with other institutions in the marine insurance ecosystem like **brokers and collective groups (affiliate members)**.



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Signatories:

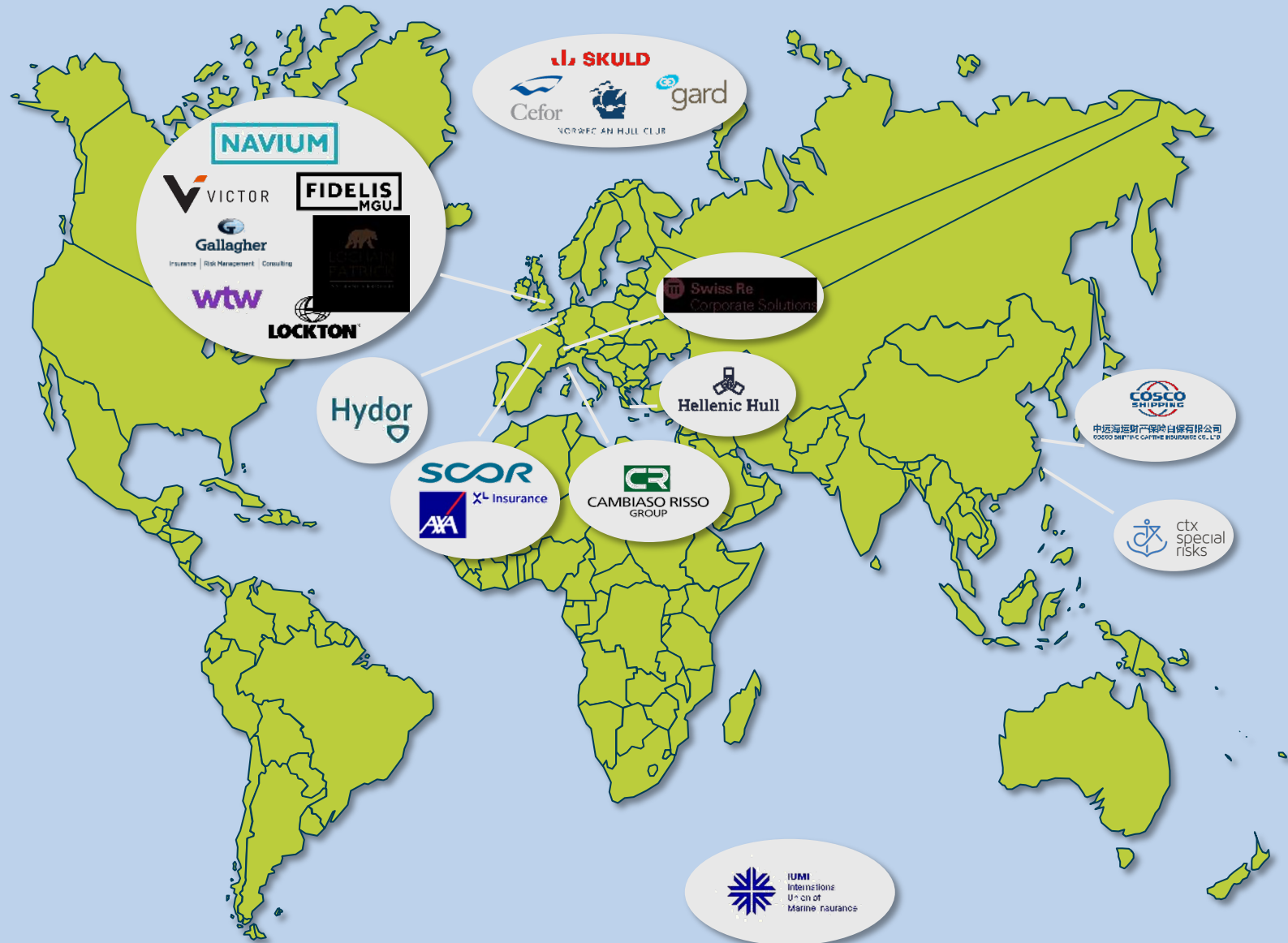
Insurers and underwriters with insurance products covering hull & machinery

Affiliate members:

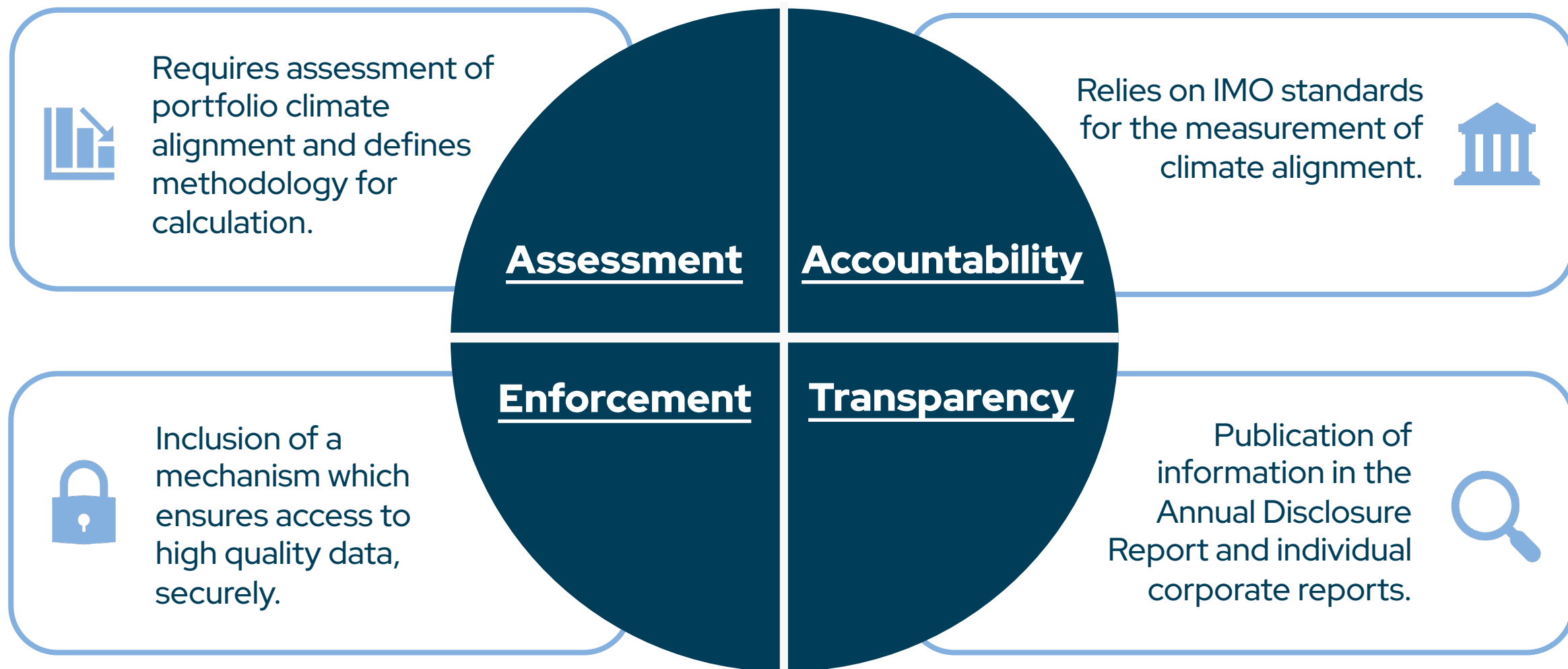
Brokers & collective groups (i.e., insurance associations, unions, captive, P&I Clubs)

Organisations that support the Principles and the signatories

It is the intent that over time and with increasing access to reliable data and information for public disclosure of climate alignment, the scope of the Principles will expand to include more affiliate members as signatories.



Structured around four Principles



THE PRINCIPLES:

- demonstrate commitment through **transparency**
- support clients in their decarbonisation journey by **creating dialogue**, enabling insurers and shipowners to work together
- are one element in **understanding clients' decarbonisation efforts** and how to de-risk the transition
- are a tool to monitor progress towards global goals and to **feed into other reporting requirements** or voluntary disclosure frameworks

THE PRINCIPLES:

- are not about policing or penalising
- do not require target-setting
- are not a prescriptive framework
- have no required actions or impacts on internal decision-making
- are not used to exclude ships from insurance cover

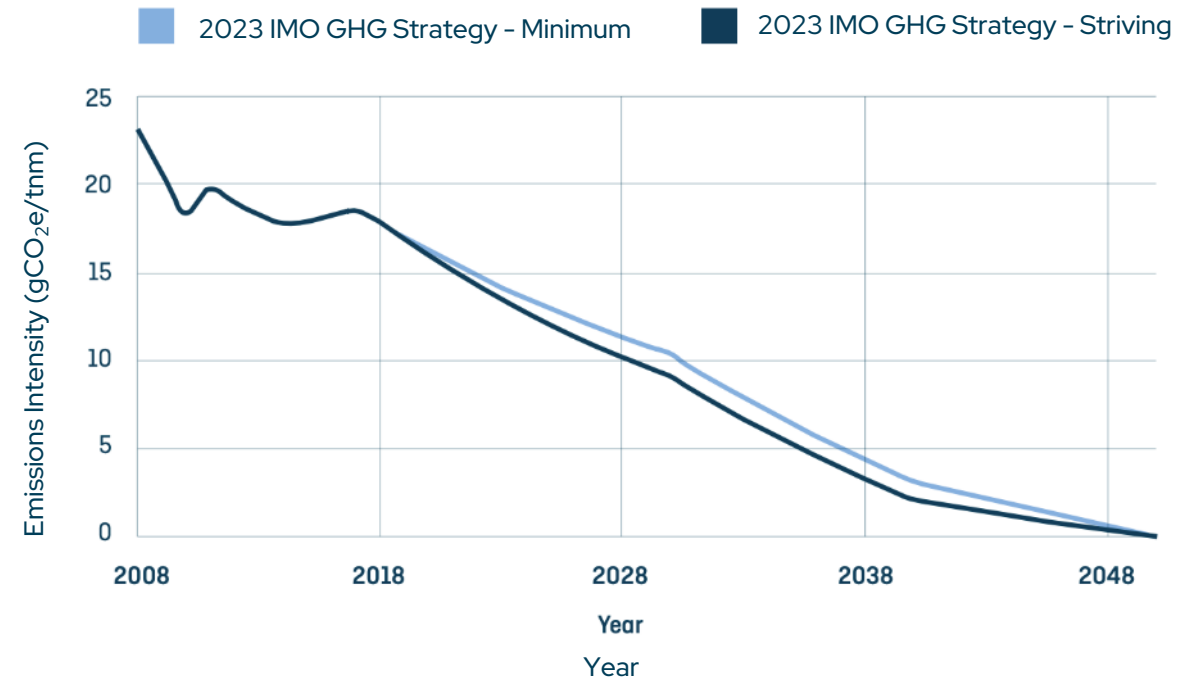


What are climate alignment scores?

A representation of the relationships between the **actual emissions intensity** and the **allowed emissions intensity** based on a pre-defined **decarbonisation trajectory**.

A decarbonisation trajectory is a representation of how many grams of CO₂e can be emitted to move one tonne of goods one nautical mile (gCO₂e/tnm) over a time horizon to be in line with given emissions targets.

The method used for establishing the decarbonisation trajectory up to 2050 is derived from emission and transport work data from the Fourth IMO GHG Study.



What is emissions intensity based on?

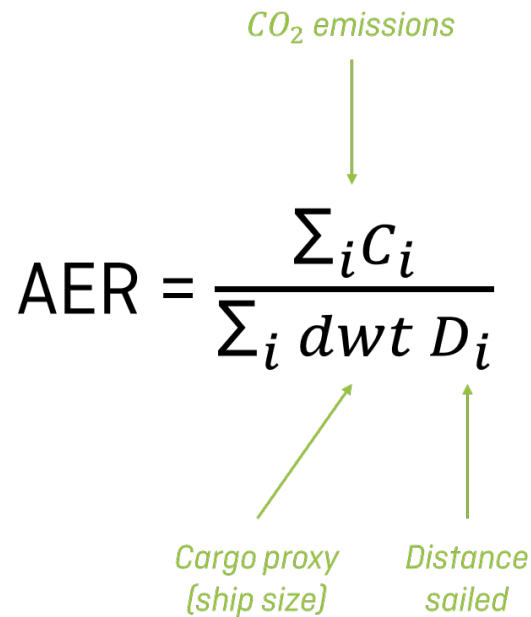
The **AER (Annual Efficiency Ratio)** is the emissions intensity metric used to calculate actual emissions intensity in the Poseidon Principles.

$$\text{AER} = \frac{\sum_i C_i}{\sum_i \text{dwt} D_i}$$

CO₂ emissions

Cargo proxy (ship size)

Distance sailed



Data required to calculate AER:

- fuel consumption
- distance traveled
- deadweight at maximum summer draught

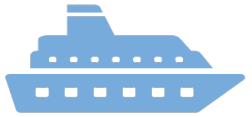
Note: A well-to-wake emission factor is used in place of a carbon emission factor in the calculation of C_i to calculate the emissions intensity.

How are climate alignment scores calculated?

First, vessel level climate alignment is calculated using either data collected from clients, or data sourced from a 3rd party data provider. Then, these values are aggregated to produce an overall portfolio climate alignment score.

See examples in
Section 5 of the
Third Annual
Disclosure Report

Actual Emissions



6.72
gCO₂e/tnm



29.06 gCO₂e/tnm



10.04 gCO₂e/tnm

Alloted Emissions



4.3 gCO₂e/tnm



38.6 gCO₂e/tnm



8.5 gCO₂e/tnm

Vessel Alignment



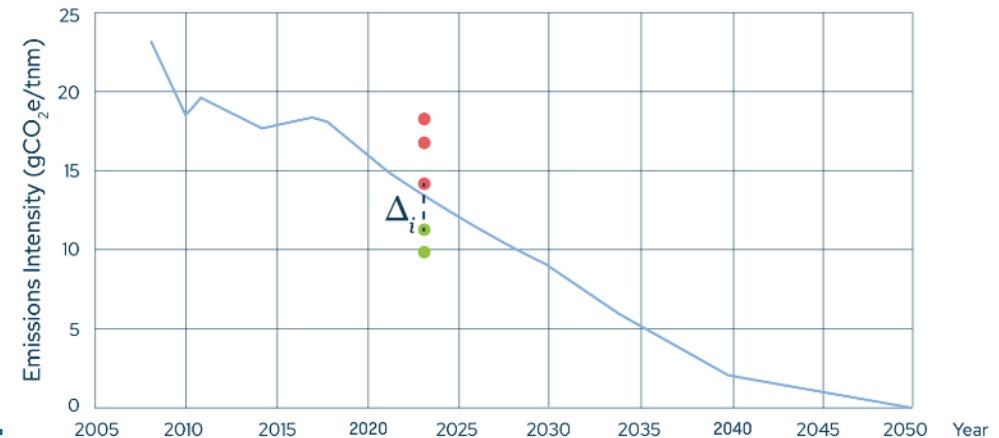
+56.28%



-24.72%



+18.21%



A positive climate alignment score is **misaligned**, or above the decarbonisation trajectory.

A negative or zero climate alignment score is **aligned**, or below the decarbonisation trajectory)



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Why report?

- Allows for members to transparently disclose information about the emissions associated with their business activities
- Creates a shared benchmark specific to shipping against climate goals through climate alignment scores
- Decarbonisation trajectories used are aligned with IMO ambitions and can be used to monitor progress

Signatories:

- Are required to report climate alignment scores annually in alignment with the Technical Guidance
- Are required to disclose qualitative information in the form of open-ended questions

Affiliate members:

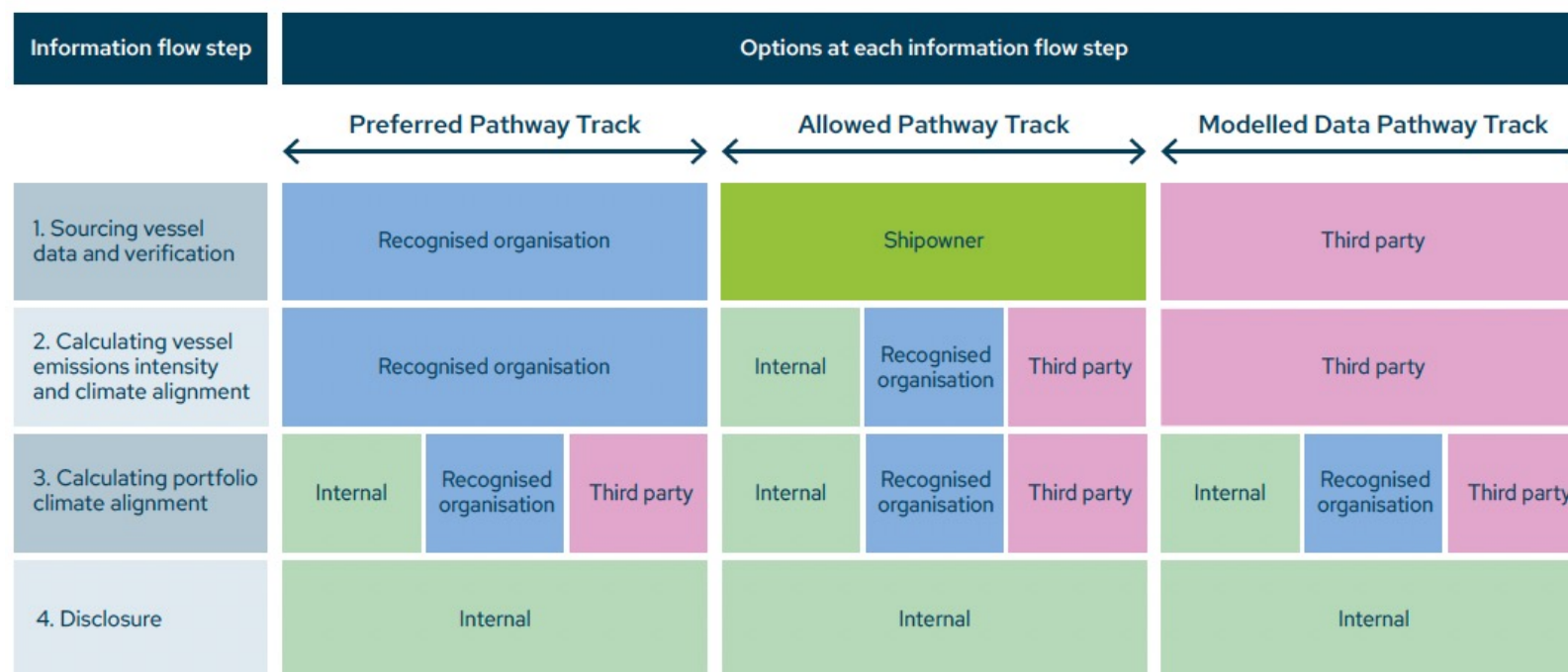
- Are not required to calculate climate alignment but support the Principles and the signatories by sharing information to clients
- Are required to disclose qualitative information in the form of open-ended questions



Where is data sourced?

Signatories may choose from **three different information flow pathways**, which describe where data can be sourced (from an RO, the shipowner, or a 3rd party data provider)

New! As of June 2024, an additional pathway, the **Modelled Data Pathway**, has been introduced, which allows for the sourcing of estimated emissions data from a third-party data provider*. Signatories have the possibility to either collect data directly from clients, through an IMO RO, or use a 3rd party data provider to provide estimations of their portfolio emissions.



**the only allowed third-party data provider at this time is OceanScore after a selection process. Fees related to the use of IMO RO's and 3rd party providers are not included in the Annual Fees, and these agreements are made on an individual basis between the signatory and the other party.*



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Where is data sourced?

- The Poseidon Principles for Marine Insurance provides a simple process and methodology to calculate the emissions intensity of vessels in their portfolio, either by:
 - gathering reliable data that shipowners already collect to abide by IMO DCS requirements (using the Preferred Pathways Track and/or the Allowed Pathways Track); or
 - **New!** gathering estimations on fleet emissions and climate alignment via a selected 3rd party data provider (using the Modelled Data Pathways Tack, implemented in 2024)



Transparency requirements

Requirement 1

Upon becoming a signatory or affiliate member, the financial institution will publicly acknowledge that it has joined the Poseidon Principles for Marine Insurance.

Requirement 2

Yearly, each signatory and affiliate member will disclose the required information. The disclosure requirement does not begin until the second calendar year of membership (i.e., a signatory who joins in 2025 would not be required to report until the Annual Disclosure Report published in 2026).

Requirement 3

Yearly, each signatory will publish the required disclosure information in their own institutional reports on a timeline that is appropriate for the organisation.

Annual Disclosure Report

The Secretariat collects the reported submissions from all eligible signatories and affiliate members and publishes the information in the Annual Disclosure Report.



Benefits of membership

1. Meet the increasing demands for transparency and show support for IMO climate ambitions through disclosure of climate alignment
2. Join a community of action and like-minded organisations with expert support
3. Support clients in their decarbonisation journey based on robust data & strengthen your value proposition
4. Play a leadership role in climate mitigation for the benefit of current and future generations
5. Act proactively to be prepared for compliance and build an understanding of de-risking the net zero transition



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Third Annual Disclosure Report

Read Me Here!



Weighted average climate alignment scores

+24.8% against the **minimum trajectory**

+20.8% simple average

+30.8% against the **striving trajectory**

+26.7% simple average



9 signatories reported climate alignment scores

9 affiliate members reaffirmed their support

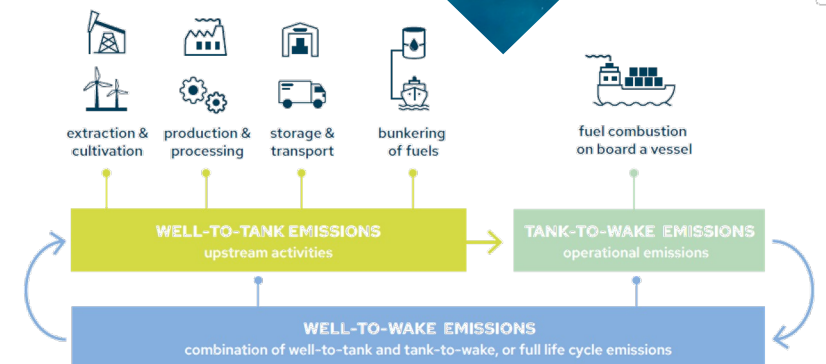
10 countries represented

25% of the total deadweight of the world fleet within the reporting scope

A transformative year for PPMI and climate reporting

Significant updates to the methodology:

1. **Raising the bar – refining the methodology to align with a higher decarbonisation ambition: 2023 IMO GHG strategy**
 - Shifting from a tank-to-wake to a **well-to-wake perspective** (*meaning calculations include the full life cycle of emissions instead of only from fuel consumption*)
 - Highlights the marine insurance industry's **support of the global regulator's** revised ambition to decarbonise international shipping by 2050.



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A transformative year for PPMI and climate reporting

Significant updates to the methodology:

2. Incorporation of modelled data: a new allowed data source for calculating climate alignment

- Uses **estimations of vessel information to produce climate alignment scores** from a third-party provider.
- Differs from last two years, which involved signatories asking for data from their clients via brokers, as in the IMO Data Collection System (IMO DCS) regulation.
- Modelled data:
 - **enables expanded reporting scope,**
 - **makes gathering data and calculating climate alignment incredibly efficient**



1. Incorporation of the IMO goals offers a new baseline to track progress with a more accurate view of sector emissions

- Shift to well-to-wake emissions and expanded reporting, provide a more accurate representation of industry emissions.
- While direct year-on-year comparisons are challenging due to these changes, the updates establish a new baseline for tracking future progress.
- Signatories have noted variations in their climate alignment scores, influenced by specific segments. Further refinements are needed to understand the new methodology's impact.
- Tracking emissions has become standard, and using a shared framework enhances sustainability initiatives, improves risk assessment, and increases transparency for decarbonisation.

2. Updated information flow pathways – with possibility to use modelled data - have simplified the reporting process and substantially increased reporting percentages – ahead.

- The Modelled Data Pathway Track now allows signatories to report climate alignment for a larger portion of their portfolio, including all vessels in their H&M portfolio.
- This shift simplifies reporting, reduces client burden, and enables a more comprehensive portfolio assessment.
- While **affiliate members** are not required to calculate and disclose climate alignment, they support the methodology change by sharing information and exploring its use for industry goals.
- Although modelled data cannot inform decisions about individual vessels, analysing its impact on reporting scope and underwriting practices is a future priority.

3. Continued commitment to decarbonisation and supporting clients in meeting goals

- The global shipping fleet's emissions are not yet aligned with IMO decarbonisation goals, with progress hindered by factors like increased sailing distances due to geopolitical events. Despite this, signatories and affiliate members remain committed to supporting emissions reduction targets.
- There is an increasing number of vessels using alternative fuels and a continued focus on developing new technologies and improving operational efficiency.
- Achieving net-zero emissions requires industry-wide collaboration and transparency. Signatories and affiliate members support this through discussions, embedding sustainability principles, hosting workshops, and fostering best practices. Affiliate members play a crucial role in bridging the gap between marine insurers and shipowners, advocating for increased transparency.

How reporting looks for a signatory

Fulfilling signatories requirements

Swiss Re Corporate Solutions

Signatory as of December 2021

What are your key takeaways from your climate alignment score?

The revised IMO GHG Strategy, adopted in July 2023, aims for net-zero GHG emissions by 2050 with interim targets in 2030 and 2040, emphasising life-cycle emissions. While our portfolio isn't yet fully aligned with these targets, incorporating CO₂ estimations now offers a more extensive view of the climate alignment. This shift provides a more comprehensive representation of our portfolio, establishing a fresh starting point with improved data and methodologies to support future efforts.

How have the Poseidon Principles for Marine Insurance influenced your business activities and decision-making, or how will they inform these areas in the future?

The Poseidon Principles have increased our awareness of environmental impacts in the maritime industry. This has allowed us to turn insights into actionable guidance for our stakeholders, helping them make more informed decisions.

Poseidon Principles for Marine Insurance. Third Annual Disclosure Report



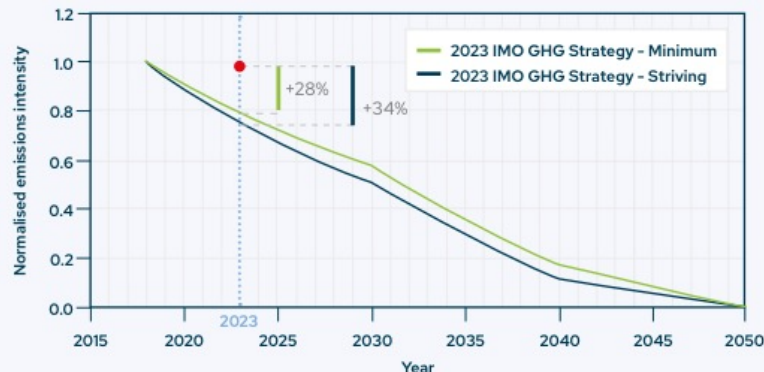
The Poseidon Principles for Marine Insurance initiative continues to deliver valuable insights, raise awareness within the maritime sector, and support companies in accessing data to make informed decisions.

Lasse Wallquist, Head Sustainability Swiss Re Corporate Solutions

Portfolio climate alignment score

minimum +28%
striving +34%

100% of data sourced using the Modelled Data Pathway Track
0% of data sourced using the Preferred and/or Allowed Pathway Track



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How reporting looks for an affiliate member

Fulfilling affiliate member requirements

Poseidon Principles for Marine Insurance. Third Annual Disclosure Report

The Nordic Association of Marine Insurers (Cefor)

Affiliate member as of December 2021



How your organisation expressed its continued support to the Poseidon Principles for Marine Insurance (from the chief executive or equivalent)?



Marine insurance is a key enabler in the journey towards net zero. Cefor is committed to contributing to the transition through the sharing of knowledge and engaging in the development of common tools. As a trade association for Nordic marine insurers, Cefor remains supportive of the transparency offered by the Poseidon Principles for Marine Insurance to foster dialogue towards the net-zero target.



Helle Hammer, Managing Director

What are the concrete outcomes from these actions?

The Poseidon Principles for Marine Insurance are becoming increasingly known in the market, and by addressing misconceptions concerning the intention behind the Principles, there is today a clearer understanding of the transparency they aim to achieve. The new Modelled Data Pathways Track was based on a benchmarking exercise conducted by the Technical Committee and later reviewed and validated by Cefor before approval in June 2024. This new pathway has been welcomed as a practical alternative for both insurers and their clients to ease the burden of data collection and reporting.

[Link to institutional report](#)

What are the practical actions your organization has undertaken to support the Poseidon Principles for Marine Insurance and its signatories?

The support of the Poseidon Principles for Marine Insurance is expressed on the Cefor website, on LinkedIn, in the Association's annual report, and through various presentations. Cefor has raised awareness about the Principles in meetings and presentations to other industry stakeholders and facilitated exchange of experience and dialogue about the methodology between our members.

- Use of modelled data: The benchmarking exercise conducted by the Technical Committee during the spring 2024 was reviewed and validated by Cefor.
- April 2024: Cefor annual report with a separate section on sustainability that also includes the Poseidon Principles for Marine Insurance published and presented to 220 invited guests during the Cefor annual seminar in Oslo.
- August 2024: Information about Poseidon Principles for Marine Insurance included in a lecture by Managing Director Helle Hammer to 39 students in the Cefor Academy programme.
- December 2024: Cefor published its 2nd report with an analysis of vessel emissions and activity in support of the Poseidon Principles for Marine Insurance framework ([read the report here](#)).



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How to join

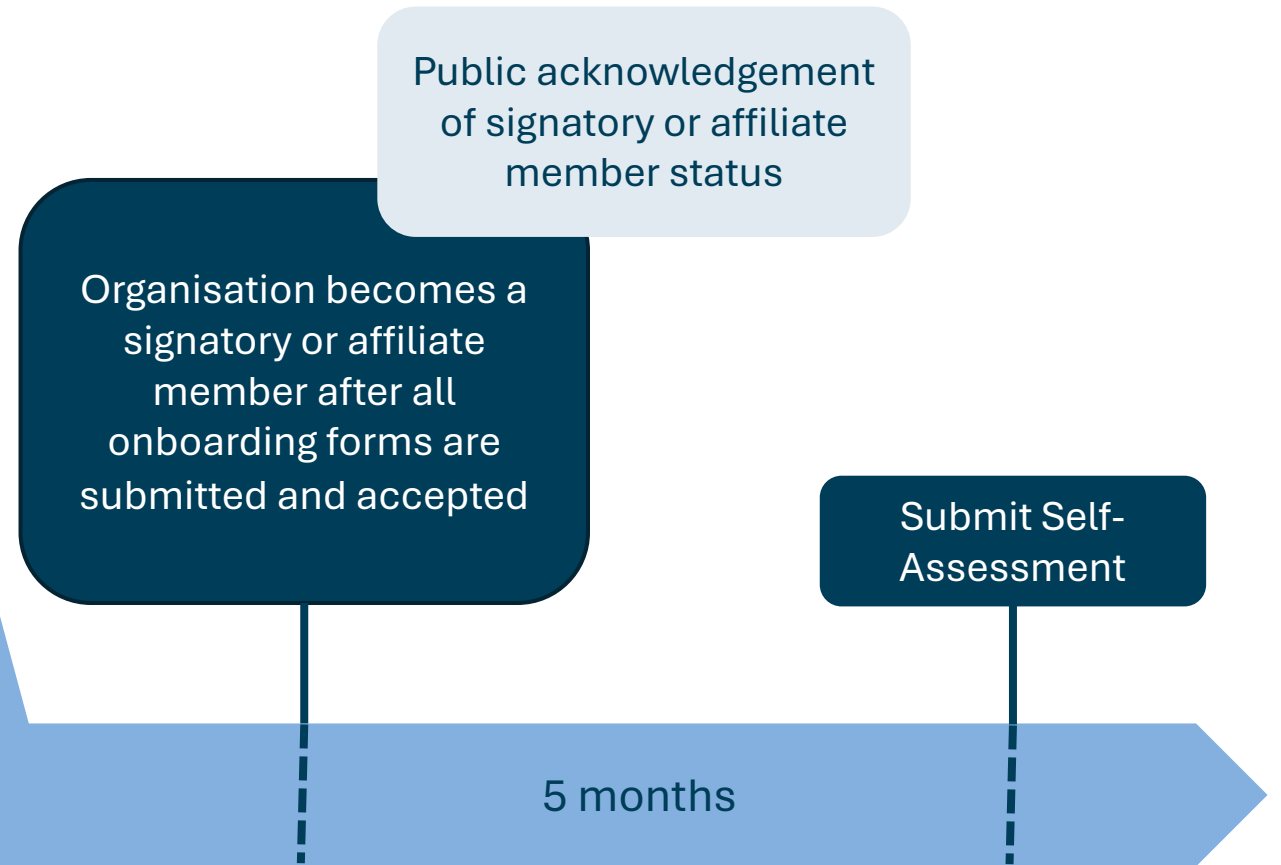
STEP 1

- Submit Standard Declaration (formal commitment)
- Submit Application (contacts & practical information)
- Submit signed Membership Agreement (agreeing with rules of the Association)

STEP 2

- Prepare and submit the Self-Assessment within 5 months of joining

These four forms differ for signatories and affiliate members and are available from the Secretariat.



How to join

STEP 3

- With the support of the Secretariat, publicly announce that the organisation has become a signatory or affiliate member
- The new logo and quote will be added to the website and all relevant material

STEP 4

- Pay the Sign-on and Annual Fee, which are agreed upon by all members every year at the Annual Meeting.

Sign-on Fee

One-time sign-on fee when joining the Poseidon Principles for Marine Insurance Association.

€12,000 in 2025 for signatories and affiliate members

Annual Fee

Fee paid annually by all members. In the first year, the Annual Fee is required in addition to the Sign-on Fee.

€14,000 in 2025 for signatories
€9,000 in 2025 for affiliate members



Get in touch!

✉ info@poseidonprinciples.org

🌐 <https://www.poseidonprinciples.org/insurance>

in <https://www.linkedin.com/company/poseidon-principles-for-marine-insurance/>



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