



# POSEIDON PRINCIPLES

FOR MARINE INSURANCE

## A global framework for responsible marine insurance

July 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



the  
ECOSYSTEM

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

FINANCIAL  
INSTITUTIONS

CHARTERERS

MARINE  
INSURERS

SHIP  
OWNERS

TRANSPARENCY

MEASURE EMISSIONS...

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



# 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.



# 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)**.



## POSEIDON PRINCIPLES FOR MARINE INSURANCE

### Signatories:

Insurers and underwriters with insurance products covering hull & machinery

### Affiliate members:

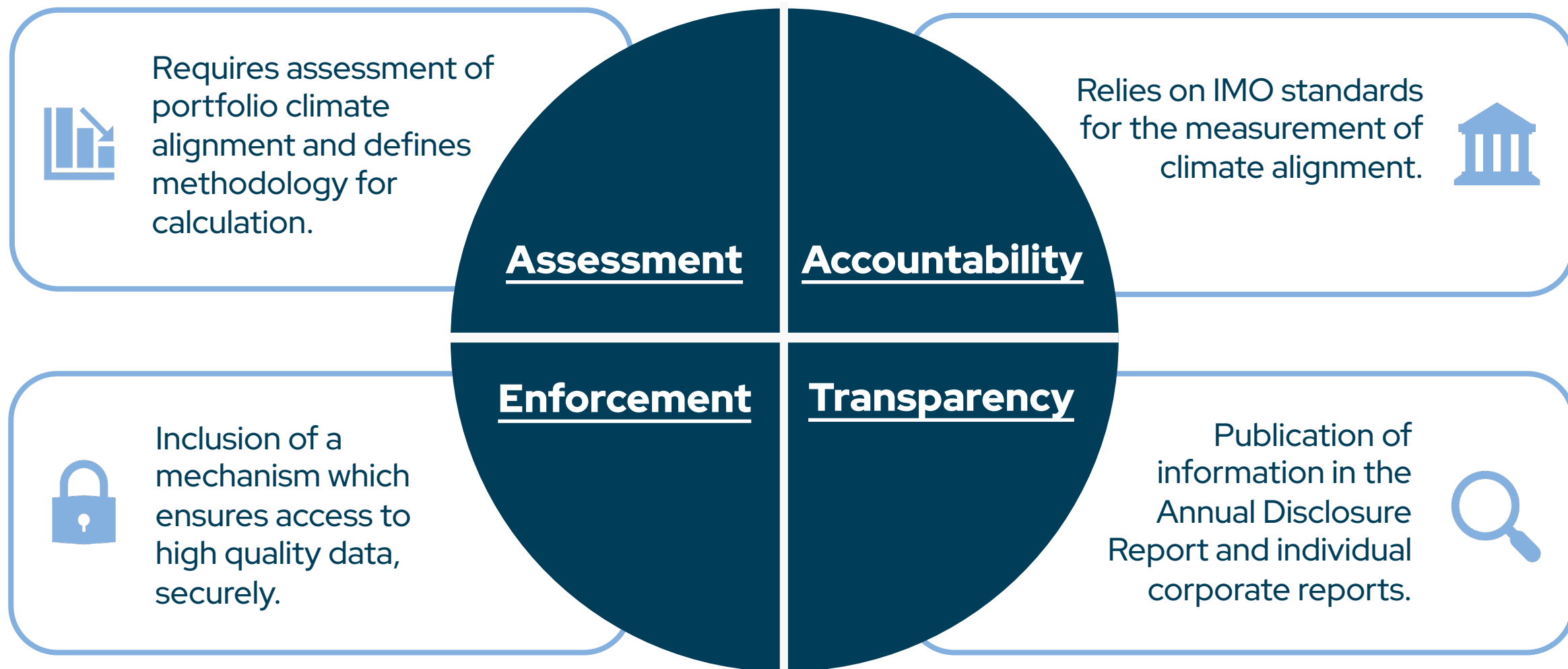
Brokers & collective groups (i.e., insurance associations, unions, captive, P&I Clubs)

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



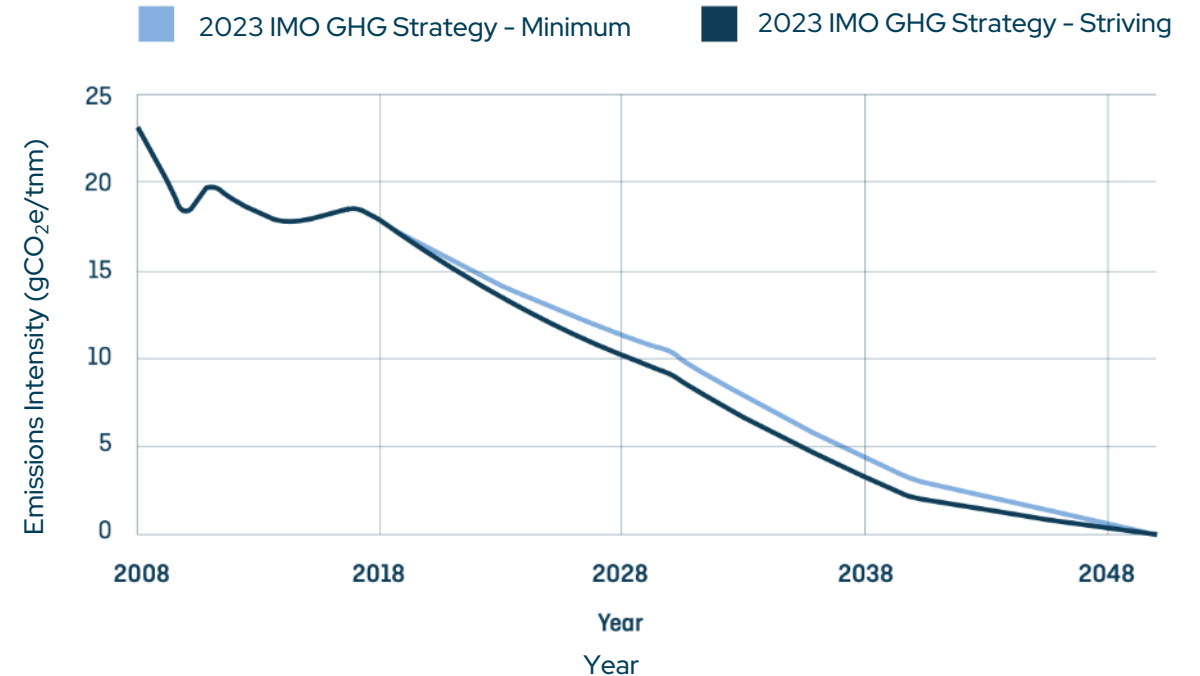


# What are climate alignment scores?

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 CO<sub>2</sub>e can be emitted to move one tonne of goods one nautical mile (gCO<sub>2</sub>e/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?

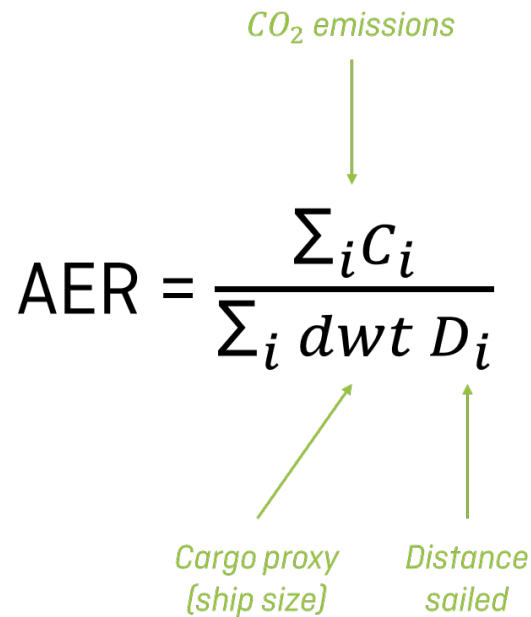
The **AER (Annual Efficiency Ratio)** is the emissions intensity metric used to calculate actual emissions intensity in the Poseidon Principles.

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

*CO<sub>2</sub> emissions*

*Cargo proxy (ship size)*

*Distance sailed*



Data required to calculate AER:

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

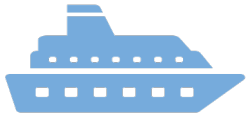
*Note:* A well-to-wake emission factor is used in place of a carbon emission factor in the calculation of  $C_i$  to calculate the emissions intensity.

# How are climate alignment scores calculated?

First, vessel level climate alignment is calculated using either data collected from clients, or data sourced from a 3<sup>rd</sup> 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 gCO<sub>2</sub>e/tnm



29.06 gCO<sub>2</sub>e/tnm



10.04 gCO<sub>2</sub>e/tnm

## Alloted Emissions



4.3 gCO<sub>2</sub>e/tnm



38.6 gCO<sub>2</sub>e/tnm



8.5 gCO<sub>2</sub>e/tnm

## Vessel Alignment



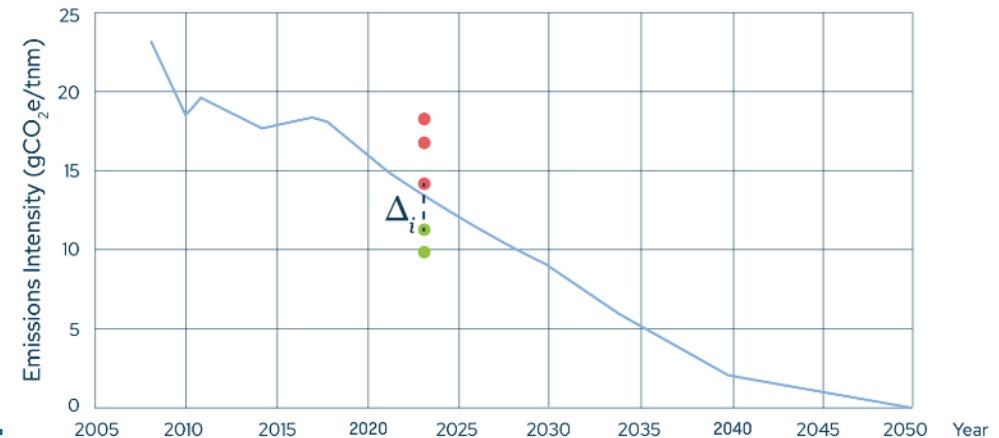
+56.28%



-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)



# 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?

As of May 2025, all signatories are required to use a **Modelled Data Pathway**, which allows for the sourcing of estimated emissions data from a third-party data provider\*.

| Information flow step                                           | Options at each information flow step |    |                       |
|-----------------------------------------------------------------|---------------------------------------|----|-----------------------|
|                                                                 | Modelled Data Pathways Track          |    |                       |
| 1. Sourcing vessel data and verification                        | 3 <sup>rd</sup> party                 |    |                       |
| 2. Calculating vessel emissions intensity and climate alignment | 3 <sup>rd</sup> party                 |    |                       |
| 3. Calculating portfolio climate alignment                      | Internal                              | RO | 3 <sup>rd</sup> party |
| 4. Disclosure                                                   | Internal                              |    |                       |

*\*the only allowed third-party data provider at this time is OceanScore after a selection process. Fees related to the use of IMO ROs 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.*

# 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!*

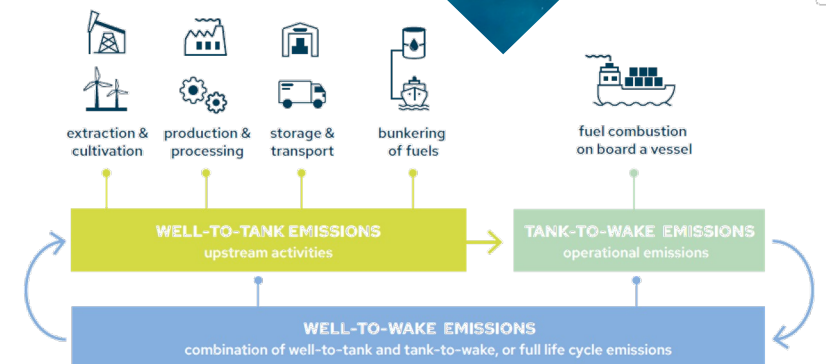




# A transformative year for PPMI and climate reporting

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**



# 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

# Key takeaways from members

## **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.



# Key takeaways from members

## **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.

# Key takeaways from members

## 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 to join

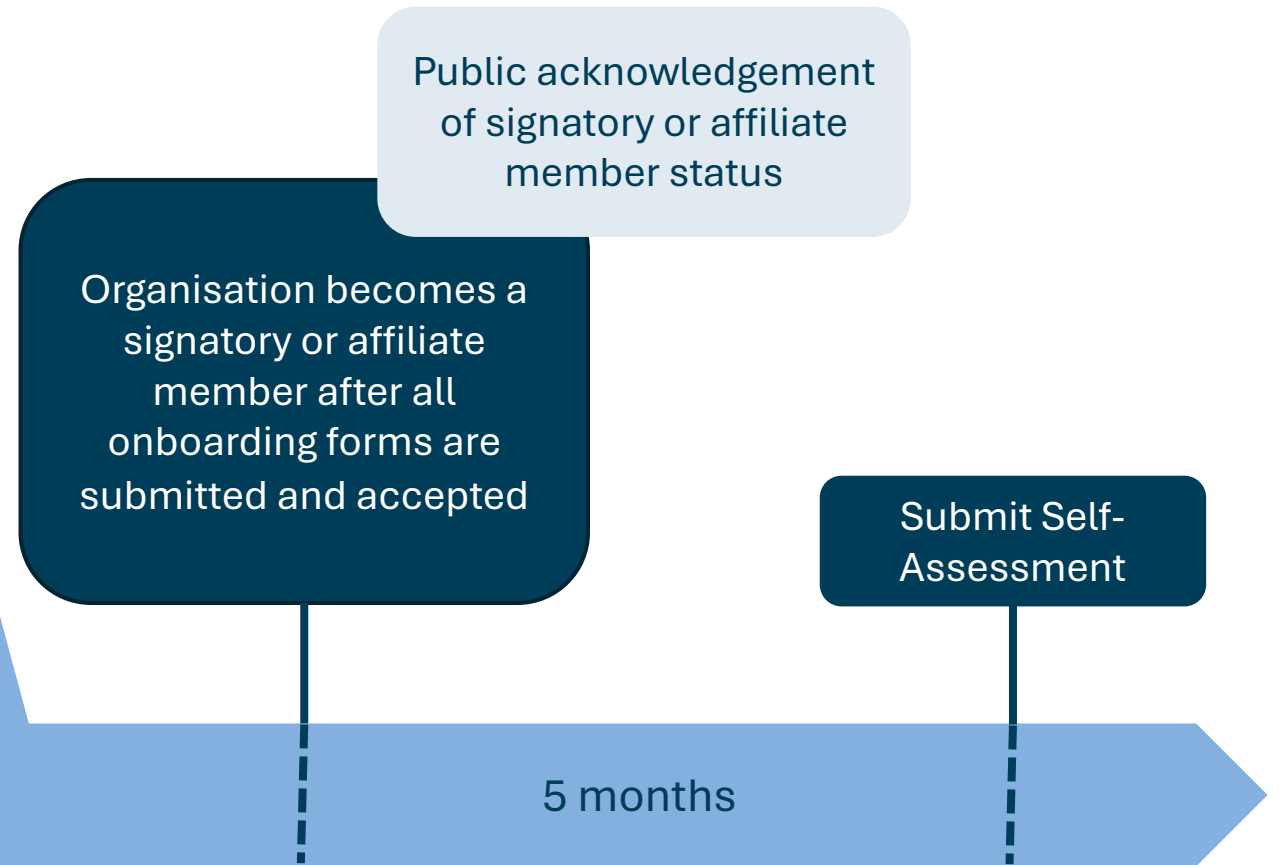
## STEP 1

- 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](mailto:info@poseidonprinciples.org)

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



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