

## 15 financial institutions disclose the climate alignment of their ship finance portfolios

- *In a first-of-a-kind climate finance report, 15 Signatories of the Poseidon Principles disclose the climate alignment score of their ship finance portfolios*
- *The Poseidon Principles Annual Disclosure Report 2020 shows that 3 banks' ship finance portfolios are aligned with UN decarbonization targets while 12 banks' portfolios are not*
- *The climate assessment offers banks new insight into their lending decisions and provides opportunity to work with their shipping clients to meet society's goals*

International ship finance confirms its leadership role in global climate finance. Announced in June 2019, the Poseidon Principles became the first sector-specific climate alignment agreement for financial institutions. Today, Signatories deliver on their commitment and publish the Poseidon Principles Annual Disclosure Report 2020 – the first sector-specific climate alignment report of its kind.

The Poseidon Principles establish a global framework to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with climate goals set by UN maritime agency, the International Maritime Organization (IMO). The IMO's initial GHG strategy prescribes that international shipping must reduce its total annual greenhouse gas emissions by at least 50% of 2008 levels by 2050, whilst pursuing efforts towards phasing them out as soon as possible in this century.

*"This report marks a significant milestone for global ship finance and for climate finance reporting as a whole. I commend my fellow Signatories for their pioneering efforts to be transparent and accountable for their role in promoting responsible environmental behavior. I encourage other serious banks and export credit agencies to join us in supporting global seaborne trade in a sustainable manner,"* says **Michael Parker, Chairman, Global Shipping, Logistics and Offshore, Citi, and Chair of the Poseidon Principles Association.**

### Climate assessment will inform future decision-making

The Poseidon Principles Annual Disclosure Report 2020 includes climate alignment reporting from 15 financial institutions, most of which became Signatories in 2019, including **ABN Amro, Amsterdam Trade Bank, BNP Paribas, Bpifrance Assurance Export, CIC, Citi, Credit Agricole Corporate and Investment Bank, Danish Ship Finance, Danske Bank, DNB, Eksportkreditt Norge, ING, Nordea, Sparbanken Vest, and Societe Generale.** Financial institutions that joined the Poseidon Principles in 2020 are not required to report before 2021. The assessment by each Signatory includes emissions data collected from clients and the portfolio information from 2019, compared to a decarbonization trajectory for the same year. It shows that 3 financial institutions' ship finance portfolios are aligned with the IMO's initial GHG strategy while 12 banks' portfolios are not. More importantly, the report includes commentary from financial institutions on key takeaways from their climate assessment, and reflections on how it will inform their business activities and decision-making in the future.

*"This first climate assessment reporting provides Signatory financial institutions with a unique understanding of our ship finance portfolios' climate footprint. All industry participants must collectively rise to the climate challenge. Banks under the Poseidon Principles will continue to work proactively with their clients and other important stakeholders to shape a better future for international shipping and society",* says **Paul Taylor, Global Head of Shipping and Offshore, Societe Generale, and Vice Chair of the Poseidon Principles Association.**

20 financial institutions have joined the Poseidon Principles. Together, they represent over US\$150 billion in loans to international shipping – more than a third of the global shipping finance portfolio. The Principles were developed by global shipping banks – **Citi, Societe Generale, and DNB** – in collaboration with leading industry players – **A.P. Møller Mærsk, Cargill, Euronav, Gram Car Carriers, Lloyd's Register, and Watson Farley & Williams** – with expert

support provided by the **Global Maritime Forum, Rocky Mountain Institute, University College London Energy Institute**, and **UMAS**. All banks and export credit agencies that finance vessels under the purview of the IMO are invited to join the Principles.

**Learn more** in the Poseidon Principles Annual Disclosure Report 2020 [here](#).

**Further information**, Head of Communications, Torben Vemmelund at [tve@globalmaritimeforum.org](mailto:tve@globalmaritimeforum.org) or +45 2224 1446 or visit [www.poseidonprinciples.org](http://www.poseidonprinciples.org).

## **In connection with the publication of the Poseidon Principles Annual Disclosure Report 2020, Signatory financial institutions comment:**

### **ABN Amro**

*"As leading ship finance bank with a strong focus on sustainability, we understand that we have a responsibility and can use our ambition to promote sustainability in the maritime value chain; from the construction of a ship, the operation during its lifetime and to responsible ship recycling. We regard the Poseidon Principles as an additional good tool for our ambition. It creates insight and transparency and enables us to work with our shipping clients on decarbonization of shipping."*

**Joep Gorgels, Global Head Transportation & Logistics**

### **Amsterdam Trade Bank**

*"It gives me a great pleasure that ATB has completed its first Poseidon Principles assessment. This is another concrete step for ATB to continue to improve further its Shipping Finance business while accounting for its environmental impact. This is not a sprint, but rather a marathon which requires a lot of small, but steady steps over time."*

**Iraklis Tsirigotis, Head of Shipping Finance, Managing Director**

### **BNP Paribas**

*"BNP Paribas reiterates its commitment to the Poseidon Principles and recognizes that reducing the carbon footprint is an important objective for the global shipping industry. We are committed to ensuring that our business is conducted in an environmentally responsible way and will continue to support this through our business strategy and together with our clients."*

**Vincent Pascal, Head of Shipping and Offshore Finance EMEA**

### **Bpifrance Assurance Export**

*"Decreasing the carbon footprint of our cruising portfolio falls within a larger set of measures taken by the French government to encourage transition towards greener industries, and the Poseidon Principles represent an efficient way to provide actual figures enabling all the players of this specific industry to better set and reach their decarbonization objectives."*

**François Lefebvre, General Manager**

### **CIC**

*"We thank our shipowner clients who have been very cooperative for this first "harvesting" data campaign concluded in a very tight schedule. This is the clear demonstration of their commitment to a greener shipping and their willingness to be actors of the energy transition for shipping."*

**Jean-Philippe Guillon, Global Head of Asset Finance**

## **Citi**

*"Citi is proud to be partnering with the other Signatories on this groundbreaking and transparent sector-specific climate alignment initiative. We will continue to work closely with our clients to help them in the ambitious decarbonisation of the Shipping industry. We encourage all lenders to the industry around the world who have not done so to join with us in helping bring about a safe and sustainable future for this key industrial sector."*

**Michael Parker, Chairman of Global Shipping, Logistics & Offshore**

## **Credit Agricole Corporate and Investment Bank (Credit Agricole CIB)**

*"Reducing the carbon footprint of the maritime industry should be a priority for us all. As one of the world's leading ship-finance banks, Credit Agricole CIB will be there to support the ship-owning community in their initiatives and investments leading to a measurable and sustainable decarbonation of our shipping industry. The Poseidon Principles are one of the tools that will help us on this journey."*

**Thibaud Escoffier, Managing Director, Global Head of Ship Finance**

## **Danish Ship Finance**

*"We are happy to present our first year of reporting and live up to our commitment to the Poseidon Principles. The initiative has been very well-received by our clients, and we look forward to our continued commitment and to be a part of shaping how the Principles will evolve in future years. We take our responsibility to contribute to the transition of the shipping industry serious, and we believe the Poseidon Principles is as a major milestone that will help accelerate a wider push for a sustainable transition of the industry."*

**Michael Frisch, Chief Commercial Officer**

## **Danske Bank**

*"Introduction of PP reporting gives banks a helpful tool to actively monitor the carbon footprint of their shipping portfolios. Implementing lending criterias which contribute to reducing emissions and ensure compliance with future emission targets is a key priority. PP is raising banks' environmental awareness and we in Danske Bank will use PP actively going forward when supporting the shipping sector's efforts to reduce its carbon footprint."*

**Einar Stavrum, Global Head of Shipping**

## **DNB**

*"The Poseidon Principles have proven to be an extremely useful tool in understanding the carbon intensity of our shipping portfolio and the factors influencing it. Moreover, this exercise has given us a firm indication of how our portfolio and clients are positioned with respect to future regulatory requirements from the EU and IMO. With increasing focus and expectations related to addressing climate risk and carbon intensity from all our stakeholders the Poseidon Principles are definitely a step in the right direction."*

**Christos Tsakonas, Global Head of Shipping**

## **Eksportkreditt Norge**

*"We consider the Poseidon Principles a valuable framework that gives important knowledge both to better understand climate risk and secure more transparent portfolios. Export Credit Norway is mainly financing new builds. The portfolio's alignment with the IMO trajectory for reaching the 2050-goal is good. When financing older vessels, this generally entails environmentally friendly retrofits like the installation of scrubbers or ballast water treatment systems."*

**Olav E. Rygg, Head of Lending**

## **ING**

*"I am delighted to report our first portfolio result under the Poseidon Principles aligns with the IMO pathway. This reflects our focus on lending to first class owners and financing modern assets. However this is only the start and I look forward to cooperating with the PPA and clients to ensure that the industry meets the IMO 2030 and 2050 targets."*

**Stephen Fewster, Global Head of Shipping Finance**

## **Nordea**

*"Nordea is proud to be part of the Poseidon Principles as one of the original signatories and we view the initiative as an important contribution in the global combat against climate change. We are pleased with response that we have obtained during our first year as a signatory and with the impressive commitment that has been demonstrated from our clients through the high response rate achieved. Nordea is committed to be transparent on the carbon footprint of our shipping portfolio and to work closely with our clients and other stakeholders to ensure that the maritime sector reaches the 2050 emission targets."*

**Geir Atle Lerkerød and Thor- Erik Bech, Co-Heads of Shipping**

## **Sparbanken Vest**

*"A limited number of vessels account for a significant portion of our total negative deviation on a portfolio basis. Poseidon Principles is a highly useful tool for increasing our interaction with clients on environmental issues."*

**Ragnhild Janbu Fresvik, Group Director - Commercial Banking**

## **Societe Generale**

*"As a founder signatory of this first sector-specific climate alignment initiative, Societe Generale committed to actively contribute to shipping decarbonisation and to build, with its clients, a sustainable future. We are proud to foster valuable coalition within the industry and convinced that the collective transparency it encourages is key to achieving the highest environmental standards."*

**Paul Taylor, Global Head of Shipping & Offshore**