



## Citi, Societe Generale, DNB and other leading international banks promote greener global shipping through new principles

### Banks to disclose climate alignment of shipping portfolios with International Maritime Organization's 50% emissions reduction by 2050 strategy

**Copenhagen, June 18, 2019, 00.01am CET;** 11 major shipping banks, representing a bank loan portfolio to global shipping of approximately \$100 billion will for the first time integrate climate considerations into lending decisions to incentivize maritime shipping's decarbonization.

The Poseidon Principles are a global framework for assessing and disclosing the climate alignment of financial institutions' shipping portfolios.

*"As banks, we recognize that our role in the shipping industry enables us to promote responsible environmental stewardship throughout the global maritime value chain. The Poseidon Principles will not only serve our institutions to improve decision making at a strategic level but will also shape a better future for the shipping industry and our society",* says **Michael Parker, Global Industry Head of Shipping & Logistics at Citi and Chair of the Poseidon Principles drafting committee.**

*"The Poseidon Principles offer significant benefits to the global shipping industry and society and they allow us as banks to align and de-risk our portfolios in line with shipping's green transition",* says **Paul Taylor, Global Head of Shipping & Offshore at Societe Generale Corporate & Investment Banking and Deputy Chair of the Poseidon Principles drafting committee.**

*"We encourage all our colleagues to join us in leading industry-wide change by becoming Signatories of the Poseidon Principles",* says **Kristin Holth, Executive Vice President, Global Head of Ocean Industries at DNB and member of the Poseidon Principles drafting committee.**

The Poseidon Principles are consistent with the policies and ambitions of the Initial GHG Strategy adopted in April 2018 by member states of the International Maritime Organization (IMO), a specialized agency of the United Nations responsible for regulating shipping. The strategy prescribes that GHG emissions from international shipping must peak as soon as possible and that the industry must reduce the total annual GHG emissions by at least 50% of 2008 levels by 2050, with a strong emphasis on zero emissions.

The Poseidon Principles establish a common baseline to quantitatively assess and disclose whether financial institutions' lending portfolios are in line with adopted climate goals. In this way, they also serve as an important tool to manage critical investment risks.

The Principles are intended to evolve over time as the IMO adjusts its policies and regulations and when further adverse environmental and social impacts are identified for inclusion. They also aim to support other initiatives developed to address climate, environment, and social risks, such as the Principles for Responsible Banking, Energy Transitions Commission, and the Task Force of Climate-Related Financial Disclosures.

The Poseidon Principles are applicable to lenders, relevant lessors, and financial guarantors including export credit agencies. They are implemented in internal policies, procedures and standards and applied in all credit products secured by vessels that fall under the purview of the IMO.

*"Urgent action is needed to advance maritime shipping's decarbonization. The Poseidon Principles are a groundbreaking achievement that will help ensure shipping remains a foundational component of our global economy. The Principles also represent a leading example for other sectors to follow into the low-carbon future",* says **Jules Kortenhorst, CEO of Rocky Mountain Institute.**

Founding Signatories include Citi, Societe Generale, DNB, ABN Amro, Amsterdam Trade Bank, Credit Agricole CIB, Danish Ship Finance, Danske Bank, DVB, ING and Nordea, and represent around 20% of the global ship finance portfolio. Additional banks are expected to join in the near future, including Asian banks.

The Principles were developed in an effort spearheaded by global shipping banks – Citi, Societe Generale, and DNB – and leading industry players – A.P.Møller Mærsk, Cargill, Euronav, Lloyd's Register and Watson Farley & Williams – with expert support provided by the Global Maritime Forum, Rocky Mountain Institute and University College London Energy Institute.



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## Support from industry

*“Shipping’s decarbonization will require unparalleled innovation. A modern ship is a highly capital-intensive asset with a typical life span of 25-30 years. To deliver on ambitious climate targets, zero-emission vessels will need to enter the fleet by 2030. This leaves us only ten years to develop the new marine fuels, propulsion technologies and infrastructures that will be required. The Poseidon Principles will help us catalyze this transition”,* says **Søren Toft, Chief Operating Officer and Executive Vice President of A.P. Møller-Mærsk**, the world’s largest container shipping company.

*“We are encouraging our shipowner partners to continually improve the environmental performance of their vessels. We welcome the Poseidon Principles and the positive impact they will have on the development of new technologies to fight climate change”,* says **Jan Dieleman, President of Cargill Ocean Transportation**, operator of one of the world’s largest dry bulk charter fleets.

*“The shipping industry is determined to meet the ambitions of the Initial IMO GHG Strategy and to reduce the industry’s total annual GHG emissions by at least 50% by 2050. The Poseidon Principles are a significant step toward achieving this important goal”,* says **Hugo De Stoop, Chief Executive Officer of Euronav**, the world’s largest, independent quoted crude tanker platform.

*“Zero-emission vessels must enter the fleet by 2030 at the latest if the maritime industry is to successfully meet the IMO ambitions of at least 50% reduction in greenhouse gases by 2050. The 2020s will be a critical decade for not only piloting and prototyping new fuel types and energy sources but also building future fuel supply chains. The introduction of the Poseidon Principles demonstrates that ship finance is determined to support shipping’s decarbonisation challenge across the maritime value chain and also support other factors such as the energy transition. As a strategic partner of the Global Maritime Forum, Lloyd’s Register is committed to working with all the Poseidon Principles partners to support the evolution of this landmark initiative”,* says **Alastair Marsh, Chief Executive Officer of Lloyd’s Register**, a leading international provider of classification, compliance and consultancy services to the marine and offshore industry, and the only classification society involved in the Poseidon Principles.

## Founding Signatories of the Poseidon Principles

### About Citi

As one of the world’s leading financial services companies, Citi addresses complex challenges including climate change and rapid urbanization through its core finance and investment activities, working to incorporate sustainability principles into everything it does to help ensure business success, improve its operations and contribute to a strong global economy. Citi has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage, transaction services, and wealth management.

*“The maritime sector is a key facilitator of global trade. However, it’s critical that all industry participants address the climate impacts of the shipping industry. As banks, we recognize that our role in the shipping industry enables us to promote responsible environmental stewardship throughout the global maritime value chain. The Poseidon Principles will not only serve our institutions to improve decision making at a strategic level but will also shape a better future for the shipping industry and our society.”* **Michael Parker, Global Industry Head of Shipping & Logistics, Citi and Chair of the Poseidon Principles drafting committee**

### About Societe Generale

Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth, aiming to be the trusted partner for its clients, committed to the positive transformations of society and the



economy. Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 149,000 members of staff in 67 countries and supports on a daily basis 31 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses - French Retail Banking, International Retail Banking, Insurance and Financial Services to Corporates and Global Banking and Investor Solutions.

*"The Poseidon Principles offer significant benefits to banks, the global shipping industry and to society as a whole. They allow us to align and de-risk our portfolios in line with shipping's green transition. We will work in partnership with our clients and partners on an ongoing basis to secure a successful implementation of the Principles."* **Paul Taylor, Global Head of Shipping & Offshore, Societe Generale Corporate & Investment Banking and Deputy Chair of the Poseidon Principles drafting committee**

## About DNB

DNB is Norway's largest financial services group and one of the largest in the Nordic region in terms of market capitalization. The Group offers a full range of financial services, including loans, savings, advisory services, insurance and pension products for retail and corporate customers. DNB is one of the world's leading shipping banks and has a strong position in the energy sector, and the fisheries and seafood industry.

*"The Poseidon Principles are ground-breaking in both the spheres of shipping and sustainable finance. Now is the time to advance the role of banks in addressing global environmental issues. We encourage all our colleagues to join us in leading industry-wide change by becoming Signatories of the Poseidon Principles."* **Kristin Holth, Executive Vice President, Global Head of Ocean Industries, DNB and member of the Poseidon Principles drafting committee**

## About ABN AMRO

ABN AMRO Bank is based in the Netherlands and serves private and business clients globally, with particular focus on Northwest Europe. The bank also offers clients various global specialisms, amongst others shipping finance and trade & commodities finance. As one of the leading international banks in both specialisms, the bank has offices in the important international harbor cities and trade centers, such as Amsterdam, Athens, Oslo, Singapore and New York. Clients can rely on a complete range of products and services that can be purchased via multiple channels.

*"It is important that banks play an active role in the transition towards a greener future and reaching the global climate goals set forth in the Paris Agreement and by the International Maritime Organization. Recognizing this, the Poseidon Principles offer the opportunity to improve the transparency of the climate impact of the shipping industry and align leading shipping bank portfolios with our climate goals in reducing GHG emissions. We are excited to see the Poseidon Principles come to life and we encourage all our ambitious peers to join in this initiative."* **Joep Gorgels, Global Head of Global Transportation and Logistics, ABN AMRO**

## About Amsterdam Trade Bank (ATB)

ATB, headquartered in Amsterdam, The Netherlands, is a specialised institution focused on providing financing for the entire spectrum of the international trade and commodity logistics chain, including shipping, asset based and corporate finance. We serve a wide range of customers active in all aspects of international trade, including commodity traders, producers, processors, manufacturers, and ship owners. Technology, good citizenship and responsible entrepreneurship are an integrated part of our strategy. Our vision is to revolutionise the trade finance business and become the leading provider of financial solutions for commodity trade and related assets.

*"Today we commit to the Poseidon Principles, to protecting our seas and our environment. We rise up to the challenge and take action to move your business forward. It is the right thing to do. We will adapt our business, we will help our clients, and together succeed."* **Harris Antoniou, Chief Executive Officer, Amsterdam Trade Bank**



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

Credit Agricole CIB is the corporate and investment banking arm of Credit Agricole Group, the 13th largest banking group worldwide in terms of tier 1 capital (The Banker, July 2018). Nearly 8,000 employees in 34 countries across Europe, the Americas, Asia-Pacific, the Middle East and North Africa support the Bank's clients, meeting their financial needs throughout the world. Credit Agricole CIB offers its large corporate and institutional clients a range of products and services in capital markets activities, investment banking, structured finance, commercial banking and international trade. The Bank is a pioneer in the area of climate finance, and is currently a market leader in this segment with a complete offer for all its clients.

*"The Poseidon Principles are a pioneering initiative by international shipping banks, one of the key stakeholders of the maritime transport sector, to support the transition to a low-carbon and climate resilient economy. The decarbonization of our Shipping industry is a fundamental requirement but also a major challenge that can only be tackled through such coordinated efforts. As a global leader in sustainable banking and shipping finance, Credit Agricole CIB welcomes the opportunity to join and participate in the Poseidon Principles."* **Thibaud Escoffier, Global Head of Ship Finance, Credit Agricole CIB**

## About Danish Ship Finance

Danish Ship Finance has been committed to ship financing since 1961 and is a trusted partner for reputable shipping companies. We are a highly specialized niche player dedicated to serving our customers to the highest standards of business. We operate a loan book of approximately USD 6 billion secured by first priority mortgages in more than 700 vessels. Our team of 80 people work out of one office in Copenhagen. The ship finance operation is supported by our in-house expertise within shipping research, ship finance law, marine insurance and marine surveillance. We are funded by the issuance of covered bonds on NASDAQ OMX Nordic. As a ship finance institute, we are supervised by the Danish Financial Supervisory Authority.

*"Financial institutions play an important role in facilitating the transition towards sustainability in businesses and ensuring that we reach the global climate goals. Recognizing both our direct and indirect responsibility and being transparent are the first steps on this journey. In this respect, the Poseidon Principles is a forward-looking initiative within sustainable finance and positions the ship finance sector in a global leadership role. As a responsible institution Danish Ship Finance welcomes the opportunity to take part in this leadership role and we encourage all like-minded partners in the ship finance community to join the Poseidon Principles alongside us."* **Michael Frisch, CCO & Member of Executive Board, Danish Ship Finance**

## About Danske Bank

Danske Bank is a Nordic bank with strong local roots and bridges to the rest of the world. For more than 145 years, we have helped people and businesses in the Nordics realize their ambitions. With presence in 16 countries and with 20,600 employees, we want to help our customers become financially confident and help them build their lives and businesses on a solid financial foundation. We aim to create long-term value for all our stakeholders – our customers, shareholders and the societies we are part of – and our vision is to be recognized as the most trusted financial partner.

*"As one of the leading financial institutions within the shipping industry, we recognize our role in addressing and promoting the sector's high ambition to decarbonize going forward. We believe that the Poseidon Principles will be an important initiative in this respect."* **Øivind Haraldsen, Global Head of Shipping, Danske Bank**

## About DVB

DVB Bank SE, headquartered in Frankfurt/Main, Germany, specializes on the international Transport Finance business. The Bank offers integrated financing solutions and advisory services in respect of Shipping Finance and Aviation Finance. DVB is present at all key international financial centres and transport hubs: at its Frankfurt/Main head office, as well as various European locations (Amsterdam, Athens, Hamburg, London and Oslo), plus offices in the Americas (New York City and Curaçao) and in Asia (Singapore and Tokyo). As a subsidiary of DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, DVB is part of Germany's second-largest banking group.



*“The Poseidon Principles are unique as it is the first time that such a variety of shipping banks with involvement of a number of leading shipowners, have collectively signed up to this important initiative. The Poseidon Principles will give a clear signal that financial institutions want to support – and play their role in the decarbonization of the world fleet; Now that the shipping industry is about to commence a new era in its evolution to a greener industry, the launch of the Poseidon Principles could not come at a better time.”* **Frans van de Bospoort, Global Head of Shipping Finance, DVB Bank SE**

## About ING

ING is a global financial institution with a strong European base, offering banking services through its operating company ING Bank. The purpose of ING Bank is empowering people to stay a step ahead in life and in business. ING Bank's 53,000 employees offer retail and wholesale banking services to customers in over 40 countries. ING Group shares are listed on the exchanges of Amsterdam (INGA.NA, INGA.AS), Brussels and on the New York Stock Exchange (ADRs: ING.US, ING.N). Sustainability forms an integral part of ING's strategy, evidenced by ING's ranking as a leader in the banks industry group by Sustainalytics. ING Group shares are included in the FTSE4Good Index and in the Dow Jones Sustainability Index (Europe and World), where ING is also among the leaders in the banks industry group.

*“Banks have an important role to play in promoting sustainable development. The Poseidon Principles fit perfectly with our Terra approach, our strategy to steer our portfolio towards the Paris Agreement's well-below two-degree goal. The Principles will be integrated into this approach to support our ambition. It's encouraging to see so many banks collaborate for a low-carbon future and we are delighted to be part of this important initiative.”* **Stephen Fewster, Global Head of Shipping Finance, ING**

## About Nordea

Nordea is the largest financial services group in the Nordic region and one of the biggest banks in Europe. We serve our 10 million customers through presence in 20 countries, including our four Nordic home markets Denmark, Finland, Norway and Sweden. Nordea wants to make a real difference – for our customers and for the communities in which we operate – by sharing our extensive expertise based on 200 years in the banking business. Sustainable choices, as well as strong accountability in terms of compliance and risk, is an integrated part of our culture. Nordea is a leading arranger of bonds and loans for the maritime sectors. Over the last 10 years, Nordea has lead arranged and coordinated on average 45 syndicated maritime loans per year with an aggregate global amount of approximately \$17 billion annually.

*“As the largest financial services group in the Nordic region it is very important to join other leading banks in this initiative to promote a responsible shipping industry, and to contribute to raised awareness. By becoming Signatories of the Poseidon Principles, we want to play an active role in reducing the global carbon footprint and contribute to a cleaner and more sustainable environment for future generations.”* **Vivian Jeanette Børseth, Director, CI&B, Nordea Bank**

## About the Global Maritime Forum

The Global Maritime Forum is an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing. To serve our mission, we convene leaders from across the maritime community with policy-makers, NGOs, experts, and other influential decision-makers and opinion shapers from all geographies in a community of purpose to discuss collective challenges and to work together on developing new solutions and recommendations for action. In order to do so, we identify, develop and share new insights and key issues on the global agenda and facilitate collaborative projects and initiatives that can deliver long-term impact and sustainable change.

*“The Poseidon Principles demonstrate how collaborative action from all stakeholders in the global maritime value chain can advance shipping's decarbonization and how sustainable companies can be rewarded for their good practices.”* **Johannah Christensen, Managing Director, Head of Projects & Programmes, Global Maritime Forum**



## About Rocky Mountain Institute

Rocky Mountain Institute (RMI) - an independent nonprofit founded in 1982—transforms global energy use to create a clean, prosperous, and secure low-carbon future. It engages businesses, communities, institutions, and entrepreneurs to accelerate the adoption of market-based solutions that cost-effectively shift from fossil fuels to efficiency and renewables. RMI has offices in Basalt and Boulder, Colorado; New York City; Washington, D.C.; and Beijing.

*“No less than 78% of global GHG emissions can be linked to global capital stock, like power stations, modes of transport, and manufacturing facilities. By redefining what is possible through cross-sectoral collaboration, the Poseidon Principles rewrite the role that the financial sector can play in helping achieve the goals of the Paris Agreement. We commend the foresight and commitment of everyone involved in their development.”* **James Mitchell, Manager of Rocky Mountain Institute Global Climate Finance and Industry Programs**

## About UCL Energy Institute

UCL is among the world’s top universities as reflected in performance in a range of national and international rankings. UCL Energy Institute has, since its launch in June 2009, developed a strong national and international reputation for energy demand and energy systems research. The shipping research group at UCL Energy Institute consists of around 15 researchers and PhD students, involved in a number of on-going projects, through UMAS ([www.u-mas.co.uk](http://www.u-mas.co.uk)), funded through a mixture of research grants and our consultancy. The group undertakes research both using models of the shipping system, shipping big data and qualitative and social science analysis of the policy and commercial structure of the shipping system. The research activity is centered on understanding patterns of energy demand in shipping and how this knowledge can be applied to help shipping transition to a low carbon future. The shipping research group is world leading on two key areas; using big data to understand trends and drivers of shipping energy demand or emissions and using models to explore what-ifs for future markets and policies.

*“Shipping will shortly undertake a rapid technology and fleet change as it inevitably shifts away from fossil fuels in order to decarbonize. That change exposes many in the shipping industry, but particularly the banks, to risk. If banks discover too late, they have invested in ships that will become undesirable or even obsolete because of this change, they could see valuation write-downs or even defaults in their portfolio. The Poseidon Principles are a tool to demonstrate that these key stakeholders are acting responsibly and allow them to compare climate risk with each other, but also a tool that will allow them to manage critical investment risks, retaining their crucial role in providing the liquidity that enables international trade.”* **Dr Tristan Smith, Reader in Energy and Shipping, UCL Energy Institute**

*“The Poseidon Principles are the starting point for pricing in the climate risk of financial institutions’ ship finance portfolios. The disclosure of a bank’s portfolio climate alignment score is the catalyst for banks to start thinking about why particular ships in their portfolio don’t perform as well as others compared to the climate target. It provides the impetus for determining what solutions can be applied to reduce their carbon footprint in the future and to consider the risk of devaluation if they remain exposed to fossil-fuel dependent assets. This will become increasingly important as the shipping industry moves away from fossil fuels to clean fuels.”* **Dr Sophie Parker, Principal Consultant, UMAS**