

The Sea Cargo Charter

Summary of requirements and implications for signatories

The Sea Cargo Charter is a framework for assessing and disclosing the climate alignment of chartering activities of charterers and shipowners around the globe.

The Sea Cargo Charter is a framework for creating common, global baselines that are consistent with, and supportive of, broader societal goals to better enable the alignment of chartering activities with responsible management of environmental impacts.

The Charter is consistent with the policies and ambitions of the International Maritime Organization (IMO), including its latest ambition to reach net-zero emissions from international shipping “by or around” 2050 compared to 2008 levels, with interim targets in 2030 and 2040, and considering full lifecycle emissions (“well-to-wake”).

The Sea Cargo Charter shares common principles with the [Poseidon Principles](#) for financial institutions and the [Poseidon Principles for Marine Insurance](#) and is intended to support other initiatives, such as the United Nations’ Sustainable Development Goals, the Global Logistics Emissions Council (GLEC) Framework, the Carbon Disclosure Project (CDP), Energy Transitions Commission, and the many others that are developing to address adverse impacts.

All charterers and shipowners are eligible to join the Sea Cargo Charter: those with interest in the cargo on board; those who simply charter out the vessels they charter in; disponent owners; registered owners with commercial control, all charterers in a charterparty chain; companies involved in pools.

Background

The maritime sector has provided efficient economic services that have played a key role in enabling the growth of global trade and global economic development. However, this has not been without some adverse consequences unique to the maritime sector. The continued success of the maritime sector is intrinsically linked to the well-being and prosperity of the society we serve. Therefore, all industry participants must play a role in addressing adverse impacts.

The Sea Cargo Charter, launched in 2020, was developed by a drafting group chaired by Jan Dieleman, President of Cargill Ocean Transportation, and composed of representatives from all major segments in the industry (Anglo American, Dow, Euronav, Norden, Stena Bulk, Total, Trafigura and supported by Stephensen Harwood), in collaboration with the Global Maritime Forum, UMAS, and the Smart Freight Centre. In 2023-2024, a working group composed of existing charterer signatories of the Sea Cargo Charter and advisories worked on updating the Sea Cargo Charter framework to fully include shipowners as of April 2024.

Scope

All charterers and shipowners that fulfil below criteria are eligible to join the Sea Cargo Charter:

1. The Sea Cargo Charter welcomes all charterers and shipowners of ships in the dry bulk and tanker trades.
2. Eligible companies to join the Sea Cargo Charter are companies that occupy any position along the charterparty chain: charterers, sub-charterers, disponent owners with commercial control, registered owners with commercial control.
3. Companies that are not eligible for membership are (a) third-party management companies, which have no corporate relationship with the shipowning entity; and (b) shipowning entities that charter out the ship on bareboat charterparty terms.

The Sea Cargo Charter must be applied by signatories in bulk chartering activities that are:

1. on time and voyage charters, including contracts of affreightment and parceling, with a mechanism to allocate emissions from ballast voyages,
2. for voyages carried out by dry bulk carriers, chemical tankers, oil (crude and product) tankers and liquefied gas carriers,
3. and where a vessel or vessels are engaged in international trade (excluding inland waterway trade).

In recognition of the diversity of a charterer's and shipowner's role, the Sea Cargo Charter adopts a twin approach: firstly, flexibility as to the signatories' choice of reporting segments, so as to encourage the widest adoption possible; secondly, certain minimum reporting requirements so as to maximise impact. The different segments are to be found in the Technical Guidance.

Recognising the key role played by shipowners in the decarbonisation of shipping, the Sea Cargo Charter has adapted its framework to allow shipowners to join as of April 2024 and report under the same methodology.

Climate alignment is currently the only environmental factor considered by the Sea Cargo Charter. This scope will be reviewed and may be expanded by signatories on a timeline that is at their discretion.

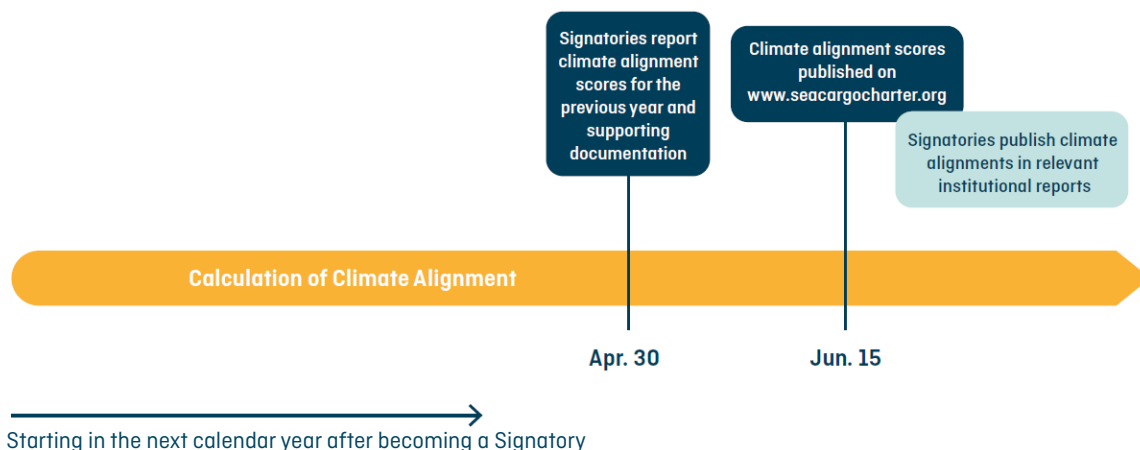
The principles of the Sea Cargo Charter and their requirements

The requirements for signatories fall under the four principles that constitute the Sea Cargo Charter:

1. **Assessment of climate alignment**
Signatories will, on an annual basis, calculate the emissions intensity of their chartering activities, and will assess their climate alignment (emissions intensity relative to established decarbonisation trajectories aligned with the ambition of the International Maritime Organization). This requirement takes effect for each signatory in the following calendar year after the calendar year in which it became a signatory.
2. **Accountability**
For each step in the assessment of climate alignment, signatories will rely exclusively on the data types, data sources, and service providers identified in the Technical Guidance.
3. **Enforcement**
Signatories will agree to work with owners, disponent owners and business partners to collect and process the information necessary to calculate carbon intensity and total GHG emissions and assess climate alignment.
4. **Transparency**
Signatories will publicly acknowledge their signatory status of the Sea Cargo Charter and will publish the results of the climate alignment scores of their chartering activities on an annual basis in line with the Technical Guidance.

Timeline for Signatories

The general timeline of the requirements for Signatories is as outlined in the figure below.



Becoming a signatory

Companies wishing to become a Signatory of the Sea Cargo Charter must submit the **standard declaration**, **membership agreement**, and the **signatory application** to the secretariat of the Sea Cargo Charter Association. Once accepted into the Association, the signatory will have five months to complete and submit the signatory self-assessment to the secretariat. All relevant documents are available from the Secretariat.

Companies interested in becoming a Signatory to the Sea Cargo Charter are invited to reach out to the secretariat at info@seacargocharter.org.

Fees for signatories

The signatory fee is EUR 10,000 and is paid once to the Sea Cargo Charter Association when becoming a signatory.

The annual fee for 2024 is EUR 8,500, paid annually to the Sea Cargo Charter Association in accordance with the governance rules. In the first year, the annual fee is required in addition to the signatory fee.