The Sea Cargo Charter

Changes in the Technical Guidance

This document highlights changes and clarifications that have been made to the Technical Guidance. Minor changes (e.g., spelling errors) are not listed.

Latest version: Version 3.0, February 2024

Version 2.3 to 3.0

Changes from version 2.3 (March 2023) to version 3.0 (February 2024):

- **The decarbonization trajectories and the methodology for assessing climate alignment were revised to align with the revised 2023 IMO GHG Strategy.**
  - "carbon intensity" is replaced by "emissions intensity".
  - CO2 is replaced by CO2e (unless CO2 is referenced exclusively) .
  - The preamble and introduction were revised as appropriate to reflect the 2023 IMO GHG Strategy.
  - Section 2 "Assessment of climate alignment" was amended with revised emission reduction target and indicative checkpoints including an explanation of the shift to well-to-wake. Figures 2 and 3 were revised to reflect the global fleet's CO2e emission trajectories under different targets and the global fleet's carbon intensity indicative checkpoints and trajectories.
  - Footnote 5 was added to explain the meaning of a "business-as-usual" trajectory.
  - Section 2.2 was amended to specify that the EEOI calculation will be on a well-to-wake basis
  - Section 2.2.1 "Emission boundaries adaptation" was added to explain that the Sea Cargo Charter provides a set of emissions factors to calculate well-to-wake emissions as an "interim solution to fill the gap between the adoption of the 2023 IMO GHG Strategy and the publication of the IMO's lifecycle assessment (LCA) guidelines". This is an interim solution to fill the gap between the adoption of the 2023 IMO GHG Strategy and the publication of the IMO's lifecycle assessment (LCA) guidelines. Once the IMO LCA guidelines are published (MEPC.376(80) expected to be finalised during MEPC 81 in Q2 2024), the Sea Cargo Charter will evaluate them with the view of including them.
  - Section 2.4 was amended to reflect new indicative checkpoints.
  - Equation 3 and Equation 4 were amended in section 2.6 to reflect CO_2e instead of CO_2.
  - Example 1 was updated in section 2.6 with relevant IMO voyages to create updated example for 2023, reflecting the 2023 IMO GHG Strategy.
- **Verification process in Chapter 3 "Accountability and enforcement":**
  - Relevant figures and the information flow steps were clarified to show at what point the 3rd party performs calculations or verification
  - A footnote to Figure 5 was added, specifying that verification can be performed using the Indicative Verification Guidelines provided by the signatory
  - Specifications were added to section 3.3.3 to explain the verification process in more detail. It was specified that third parties are encouraged to use the Indicative Verification Guidelines. Figure 11 was updated to reflect the details of the verification process and add footnote referencing the Indicative Verification Guidelines.
- **Appendices:**
  - Amend Appendix 1 "Abbreviations" by including LCA
  - In Appendix 2 "Glossary" definitions of "Climate alignment", "emissions intensity", and "LCA" were added.

- In Appendix 4 “Definition of decarbonisation trajectory and vessel continuous baselines” the baseline was changed from 2012 to 2018 together with a justification for considering emission intensity estimates from 2018. References were made to the IMO Revised Strategy. However, for reasons highlighted in Appendix 4, Chemical Tankers and Liquified Gas Tankers are baselined on EU MRV data from 2021, much as the previous addition. However, the same method of curve fitted is used as the other vessel types.
- Also, Table 6 was amended to reflect the emissions budget translation from the Third IMO GHG Study to the 2023 IMO GHG Strategy ‘Minimum’ and ‘Striving’ numbers. Figure 17 was amended to reflect updated decarbonisation trajectory with updated values from Table 6. Figure 18 and 19 were also updated.
- In Appendix 3 the specification of dry bulk voyages on general cargo vessels was added.
- In Appendix 4 it was specified that the trajectories do not account for projected efficiency or alternative fuel technology uptake by the industry and are not designed to forecast any changes in operating profile.
- Table 6 and Figure 17 were amended in Appendix 4 to reflect the IMO 2023 GHG Strategy.
- The emissions intensity calculation and Table 7 and Table 8 were updated, including by inserting the coefficients for determination of required emissions intensity for vessel types under the IMO 2023 GHG Strategy ‘Minimum’ trajectory (Table 7) and ‘Striving’ trajectory (Table 8).
- Figure 20 was deleted and only Figure 19 left as an example of the change from stepped to continuous baselines.
- Example 3 was amended in Appendix 4 to explain which emission factors should be used and Table 8.1 was added with “Default well-to-wake emission factors”, together with a section on “Emission factors for granular fuel and machinery data and Table 8.2 on “Granular well-to-wake emission factors”, “Considerations for reporting using granular data” were also added, including fuel characteristics and machinery information
- Appendix 5 was amended to update all references from CO_2 to CO_2e and update Table 8.
- In Appendix 6 , the section on “Bunker emission factors” was deleted and table 14 was removed considering other sections added on emission factors in the Technical Guidance.

- **Other editorial changes:**
  - Clarifications in Principles 1 and 3
  - Spell “signatories” with a lower case “s”.
  - From American to British English

Version 2.2 to 2.3

Changes from version 2.2 (August 2022) to version 2.3 (March 2023):

- The baselines for chemical and liquified gas tankers are newly derived from the EU MRV data (and not Fourth IMO GHG Study like for the other vessel types). The Technical Guidance was updated to reflect this, including values in Table 6 – Pages 21, 55, 58.
- The wording on page 7 was changed from “service providers” to “reporting pathways” to avoid any confusion as the Sea Cargo Charter does not prescribe which service providers Signatories should work with.
- Table 0 was renamed to Table 1 – Page 22.
- The wording in Appendix 5 was fixed to read “gCO_2/tnm” instead of “gCO_2e/tnm” – Pages 61, 64

Version 2.1 to 2.2

Changes from version 2.1 (March 2022) to version 2.2 (August 2022):

- Table 0 was added showing the determination of vessel size categories – Page 22.

- The term of non-reporting percentage was clarified – Pages 35 & 36 – and added to the Glossary – Page 51.
- The definition of ballast legs in the Glossary was further clarified to avoid confusion around off-hire periods – Page 51.
- Guidance for calculations in chemical parceling was amended to simplify the calculation method (while keeping the impact on the overall alignment score minimal) – Page 53.

Version 2.0 to 2.1

Changes from version 2.0 (November 2021) to version 2.1 (March 2022):

- The guidance was updated to reflect the continuous baselines:
  - Section 2.4 on Page 21
  - Section 2.5 on Page 22
  - Example 1 on page 23
  - A definition of Continuous baselines was added into Glossary – Page 51
  - Appendix 4 was changed significantly to reflect this update – Pages 54-60

- Colors in graphs in Figure 2 and Figure 3 were fixed – Page 15 & 16.

Version 1.3 to 2.0

Changes from version 1.3 (June 2021) to version 2.0 (November 2021):

- Clarifications were brought into the scope wording to reflect the new segmented approach to the scope of the Sea Cargo Charter – Page 3. Textual references were updated throughout the whole document to reflect this change, including the Preamble (Page 2), Table 4 (Page 36) and Figure 15 (Page 42).

- Guidance on how to proceed in case incorrect data are received from shipowners was inserted – Page 29.

- Decarbonization trajectories were updated to reflect the latest available data from the Fourth IMO GHG Study – Appendix 4, Pages 54-58, including Figure 18 & Table 6. A note that the trajectories values in Table 6 are rounded was added – Page 57.

- Continuous baselines are currently being developed by the Secretariat and will replace the current decarbonization trajectories early in 2022 in time for the 2021 reporting. A note mentioning continuous trajectories was added – Page 51 & 57.

- Worked examples illustrating climate alignment calculations for bulk and chemical parceling were added – Appendix 5, Page 59-62.

- Carbon factors in Table 7 were updated to correct wrong references for Bio-methanol and e-methanol – Page 64.

- The “Single Charterer TC&VC Data Collection Template” and “General Parceling Data Collection Template” were merged into a single file - “Single Charterer & General Parceling Data Collection Template” - that is now available on the Resources page on the website. Links in the footnotes in the Sea Cargo Charter Clause were updated accordingly.
  - The template also clarifies the definition of arrival and departure being berth-to-berth, removing the terms EOSP and SOSP (which can be interpreted differently).

- The template was further equipped with validation rules to minimize typos and other errors at source, calculation of emissions and EEOI directly in the template and an output table making it easier to export the inputted data into a database (flat file format).
- The "Chemical Parceling Data Collection Template" will be updated to fit a similar format. It will be uploaded on the Resources page on the website when available.

Version 1.2 to 1.3

Changes from version 1.2 (April 2021) to version 1.3 (June 2021):

- Change in the scope: starting from 1 January 2022, vessels under 5000 GT will also be included in reporting (excluding inland waterway trade) – Page 3
- "Amount of cargo discharged" changed back to "amount of cargo transported" with addition of a footnote for liquified gas carriers – Pages 15 & 27
- Addition of guidance for parceling where "general parceling" and "chemical parceling" are distinguished. – Pages 50 & 51
- The guidance on "Stationary time / Floating storage" was clarified – Page 51
- The Sea Cargo Charter Clause which is referred to in the Technical Guidance has been updated:
  - Data Collection Templates' definition of a leg start and end updated.
  - Addition of a third Data Collection Template for "chemical parceling".

Version 1.1 to 1.2

Changes from version 1.1 (December 2020) to version 1.2 (April 2021):

- Change from cargo "transported" to "discharged" to consider some cases (e.g., LNG carriers) for which the amount of cargo discharged is different from the amount of cargo loaded: "Amount of cargo discharged in metric tonnes over the given voyage" – Page 15
- Addition of a footnote to acknowledge that methane slip is not currently accounted for in the methodology but is expected to be included in the methodology once a suitable method of quantification that includes non-CO_2 GHGs is established – Page 15
- "Actual distance travelled in nautical miles" - Pages 15 & 27
- Addition of a footnote to allow the use of distance tables in the exceptional circumstances where owners are not able to provide the actual distance sailed – Page 27
- Addition of "gas combustion unit" and "inert gas generators" in the categories of fuel type and consumption for which signatories collect data – Page 27
- Addition of guidance for "Drifting periods" – Page 51
- Addition of guidance for "Off-hire period" – Page 51
- Extension of the guidance for "Long voyages spanning multiple years" to "Voyages spanning multiple years" – Page 51

- Mention to “backhaul” removed throughout the Technical Guidance: backhauls are to be treated in the same way as other loaded journeys making the references in the Technical Guidance superfluous.