

JULY 2023

## Joint statement in support of book and claim chain of custody approaches to accelerate shipping decarbonisation

We, the undersigned stakeholders from within the maritime value chain, hereby issue this joint statement to express our commitment to develop and implement robust book and claim approaches to accelerate shipping decarbonisation.

Book and claim chain of custody systems can play a major role in accelerating the early phases of shipping's decarbonisation. They offer a valuable mechanism to advance the uptake of zero- and near-zero-emission fuels by enabling early action, even when the fuels and vessels are still in limited supply. Book and claim chain of custody systems can help shipowners and fuel providers develop a business case for shipping decarbonisation in the absence of established fuel pathways by activating early demand from shippers. Developed and executed in a transparent, robust and verifiable way, they can provide a credible, flexible, scalable, practical, and reliable means of tracking and accelerating the production and consumption of **scalable zero- and near-zero-emission fuels** and, in the process, build customer confidence in the voluntary, non-regulated market for zero-emission shipping. The overall impact of these systems on shipping decarbonisation will be determined by the accounting frameworks, commercial frameworks, and reporting and verification rules that govern them.

We understand that close cross-industry collaboration and coordinated action from the sector will be vital in achieving the above objectives. Thus,

1. We **acknowledge the following challenges** must be addressed to effectively implement book and claim chain of custody approaches:
  - » Lack of understanding and acceptance of the importance of book and claim approaches in encouraging the use of zero- and near-zero-emission shipping fuels
  - » Scepticism around the effectiveness of book and claim approaches and concerns that they may be abused
  - » Concern over the proliferation of systems and standards under discussion and in operation so far
  - » Lack of clarity around the role and accreditation of third-party registries for tracking and managing claims
2. Taking note of these identified challenges, **we will pursue the following courses of action** as individual organisations and through cross-industry collaboration when using book and claim chain of custody approaches:
  - » We will work together to agree on the use of clear and consistent rules and standards and wherever possible, reinforce approaches already in use in regulation, including the well-to-wake approaches in forthcoming IMO guidelines
  - » We will work to share learnings and foster understanding among our respective customers and through further iterations of regulatory processes
  - » We will use the available tools to provide transparency and verifiability
  - » We will work in parallel to increase our direct and safe physical use of zero- and near-zero-emission fuels
  - » We will carry out these actions with the goal of maintaining the highest standards of environmental, social, and commercial integrity

3. **Together, we call on other actors** to support maritime book and claim approaches to accelerate decarbonisation. More specifically, we call on:
- » Crucial non-industry bodies like the Greenhouse Gas Protocol and the Science Based Targets initiative to create a pathway for the recognition of book and claim-based emission reduction activities in sustainability reporting
  - » The IMO to provide guidelines on lifecycle GHG emission assessment methods and standards for zero- and near-zero-emission fuels on a well-to-wake basis and implement them in forthcoming compliance and incentive systems
  - » Our customers to acknowledge the importance of book and claim approaches and contribute to the success of their adoption and development
  - » Other industries to continue to work with initiatives such as the recently launched Book & Claim Community, jointly led by the Smart Freight Centre and Rocky Mountain Institute, to align book and claim approaches across the logistics chain

We commit to doing our best in developing and implementing book and claim approaches within our organisations and encourage other stakeholders in the maritime industry to join us in making significant impact in accelerating maritime decarbonisation.

