

Sea Cargo Charter Report Outlines Emissions from Shipping Companies' Activities

14 June 2023—The Sea Cargo Charter, a global framework for assessing and disclosing the climate alignment of chartering activities, today released its annual report covering 2022, highlighting the disclosure of emissions data from shipping companies' activities.

The 33 Signatories, which disclose the climate alignment of their chartering activity for 2022, account for more than 17% of total bulk cargo transported by sea over the year. Their average reporting rate has increased since last year to 90%.

It is important to highlight, that it is not possible to compare the scores of individual Signatories to one another for several reasons: Signatories have different portfolios, different ship types and different numbers of voyages. Furthermore, the Signatories have different operational and trade profiles with particular trade characteristics that affect their annual activity alignment.

In this second edition of the Sea Cargo Charter Annual Disclosure Report, the average climate alignment of Signatory companies is at the same level as 2021 but the variation of data has decreased significantly. This is due to several reasons, including changes carried out to the chemical and liquefied gas tanker baselines, as well as trade patterns and better operational efficiency.

"While achieving full decarbonisation by 2050 may seem far off, the maritime industry is well aware of the importance of decisions taken now in order to achieve this goal. The data in the Sea Cargo Charter report shows Signatories' dedication to measuring and reporting transparently their climate impact as an essential first step towards reducing emissions," says **Rasmus Bach Nielsen, Chair of the Sea Cargo Charter Association and Global Head of Fuel Decarbonisation at Trafigura**

Calls for ambitious MEPC80

"We would like to add our voice to those calling for ambitious targets on decarbonisation to be adopted at the IMO meeting to adopt a revised Strategy for Reduction of Greenhouse Gas Emissions from ships," Rasmus Bach Nielsen says.

Nielsen hopes and believes the International Maritime Organization (IMO) will agree on significantly more ambitious targets at the upcoming Marine Environment Protection Committee meeting (MEPC80) in July.

"Achieving these reduction targets is essential for the industry to play its role in addressing climate change, and it will require an appropriate policy framework that allows companies to take the commercial decisions needed to accelerate decarbonisation and it will also assist Sea Cargo Charter in establishing future enhanced baseline targets," he says.

He highlights the importance of a regulatory framework.

"The key is that while it is fine to have big targets we also need a regulatory framework where it can be realistic to reach these," he says.

At the association's annual meeting in April, Signatories continued the ongoing discussion of how to make the reporting more robust and whether to raise the ambition level. However, many members were keen to wait for the outcome of the MEPC80 meeting, as the results will have big implications on the industry's ability to deliver on the Paris Agreement temperature increase goal.

Complex scores

The simple average score of reporting Signatories in the Sea Cargo Charter report, i.e., all reported climate alignment scores calculated with equal weight, was 1.6% and the median was 2.7%. Without data on each Signatory's total shipping activity, it was not possible to calculate a weighted average, which would be a more appropriate statistic to summarise the distribution of scores given that Signatories have different trades and levels of activity.

Scores ranged from -21.8% to 21.4%, and 60% of reporting Signatories had a score of +5% or less. These alignment scores are based on an average reporting rate of 90% from Signatories of their annual activity. A negative score implies alignment while a positive score denotes misalignment to the decarbonisation trajectory.

"Our Signatories recognise that their role in the industry affords them opportunities to promote responsible environmental stewardship and drive change throughout the maritime value chain. The data in the report is thus a basis for further developing cooperation with shipping business partners. The data will provide insights that enhance our joint strategic decision-making and help us address climate change," says **Eman Abdalla, Vice Chair of the Sea Cargo Charter Association and Global Operations Director at Cargill Ocean Transportation.**

Eman further elaborates:

"To make our voice louder, we are looking to open up our membership scope to not only charterers and cargo owners but also shipowners so that they can join us and make the Sea Cargo Charter a truly industry-wide initiative where we together unite and work towards one global transparent and standardized emission reporting system," she says.

According to Abdalla it ought to be in the interest of all industry stakeholders to have common alignment and transparency on emissions.

Read the [Sea Cargo Charter Annual Disclosure Report 2023](#).

For further information, contact Head of Communications, Global Maritime Forum, Rasmus Nord Jørgensen at rnj@globalmaritimeforum.org or visit www.seacargocharter.org.

About the Sea Cargo Charter

The Sea Cargo Charter is a global framework for assessing and disclosing the climate alignment of chartering activities. It establishes a common, global baseline to quantitatively assess and disclose whether chartering activities are in line with climate goals set by the UN maritime agency, the International Maritime Organization (IMO). The IMO's initial greenhouse gas strategy prescribes that international shipping must reduce its total annual emissions by at least 50% of 2008 levels by 2050, whilst pursuing efforts towards phasing them out as soon as possible in this century.