

Media Release

Climate Bonds Criteria to Steer Investments in Shipping Industry Launched New Criteria Marks Latest Milestone in Expansion of Green Definitions Under Climate Bonds Standard

London 10/11/2020 09:00 GMT: The Shipping Criteria of the International Climate Bonds Standard (CBS) has been formally launched, marking a major turning point in best practice for low carbon and climate resilient investments in the shipping industry and expanding the sector reach of the Climate Bonds Standard and Certification scheme which has now passed USD135bn in Certifications.

The new Criteria provide a clear definition for evaluation whether a shipping project contributes to climate change mitigation. The criteria provide guidance on how companies can transition the performance of their assets and their business lines towards zero-carbon.

The Shipping Criteria were developed via a Technical Working Group (TWG) process with Tristan Smith and Sophie Parker of University College London as Lead Technical Consultants.

The criteria require that ships are not primarily dedicated to transporting fossil fuels and are either, zero-emission ships at the point of application for Certification or performing below the average operational emissions intensity of their respective size and class throughout the tenor of the bond. In the latter case, such ships must also provide a Managed Reduction Plan outlining how the ship will continue to transition towards zero-emissions.

Climate Bonds assembled a diverse team of shipping industry experts to develop the Criteria which directly aligns with the trajectory of carbon emissions reductions required by the Paris Agreement. The members of the TWG and the Industry Working Group (IWG) can be found on the CBS Shipping Criteria [here](#).

Andrew Stephens, Sustainable Shipping Initiative, Executive Director:

“The journey to sustainable shipping requires collaboration by like-minded peers across the shipping value chain. The Climate Bonds Standard’s newly launched Shipping Criteria will provide clear guidance to financial stakeholders, enabling them to leverage their influence in the industry and drive the transition to climate-aligned shipping investments.”

Sophie Parker, Principal Consultant, UMAS International:

“The CBS shipping criteria provide climate credibility to green bonds by assessing whether shipping assets are climate-aligned based on both the emissions intensity of the asset over its lifetime and the cargo it carries. By requiring issuers to consider how the asset will stay aligned with a trajectory to zero-emissions by 2050, the criteria provide more transparency to the market, so that financiers can make informed decisions about how their assets will contribute to climate action and mitigate the climate risks that could affect the valuations of their assets.”

Sean Kidney, CEO, Climate Bonds Initiative:

"The shipping sector has an opportunity to rapidly transition towards zero-carbon emissions. The introduction of the Shipping Criteria to the Climate Bonds Standard opens up another science-based investment pathway for capex to be applied in this sector and deliver a range of positive environmental impacts."

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Notes for journalists:

About the Climate Bonds Initiative: Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low carbon economy. Climate Bonds undertakes advocacy and outreach to inform and stimulate the market, provides policy models and government advice, market data and analysis, and administers an international Standard & Certification Scheme for best practice in green bonds issuance. For more information, please visit www.climatebonds.net.

About the Shipping Criteria TWG and IWG: Climate Bonds Initiative convened a Technical Working Group (TWG) and an Industry Working Group (IWG) Expert Group in Q1 2019 to develop Criteria for this sector. Full membership of both the TWG and IWG can be [found here](#).

Four core documents available for download on the [Shipping Criteria Website](#):

- [Shipping Criteria Brochure](#)
- [Summary of the Shipping Criteria](#)
- [Full details of the Shipping Criteria](#)
- [Frequently Asked Questions](#)

About Climate Bonds Standard: It is an overarching science-based, multi-sector standard overseen by the [Climate Bonds Standards Board](#) that allows investors and intermediaries to easily assess the climate credentials and environmental integrity of bonds and other green debt products.

Launched in [2011](#), with periodic [updates](#), the Climate Bonds Standard is the most detailed, climate aligned investment criteria available in the market and provides guidance to issuers, investors, governments and regulators.

Standard V3.0 and supporting documentation is [available here](#).

About Climate Bonds Certification: Climate Bonds Certification framework has been designed to work in parallel with the normal process for issuing bonds, loans or other debt products. It has 2 phases, Pre-Issuance or Post-Issuance. Certification of a Climate Bond at the pre-issuance phase enables the issuer and underwriters to market the bond or debt product as Certified. Further assurance activities in the post-issuance phase must be undertaken to maintain the Climate Bonds Certification.

The full Climate Bonds Database of Certified issuance can be [found here](#).

The full Climate Bonds Directory of Approved Verifiers can be [found here](#).

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