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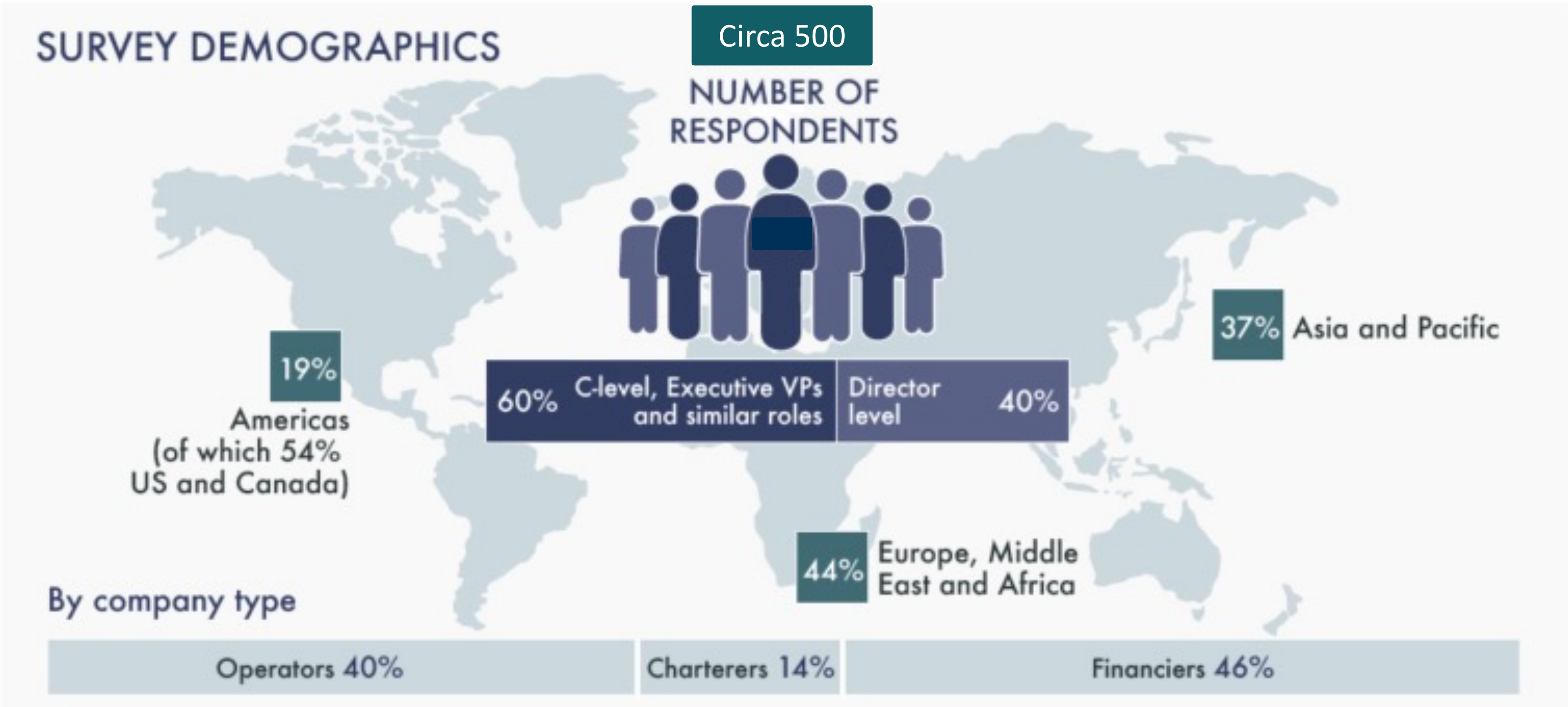
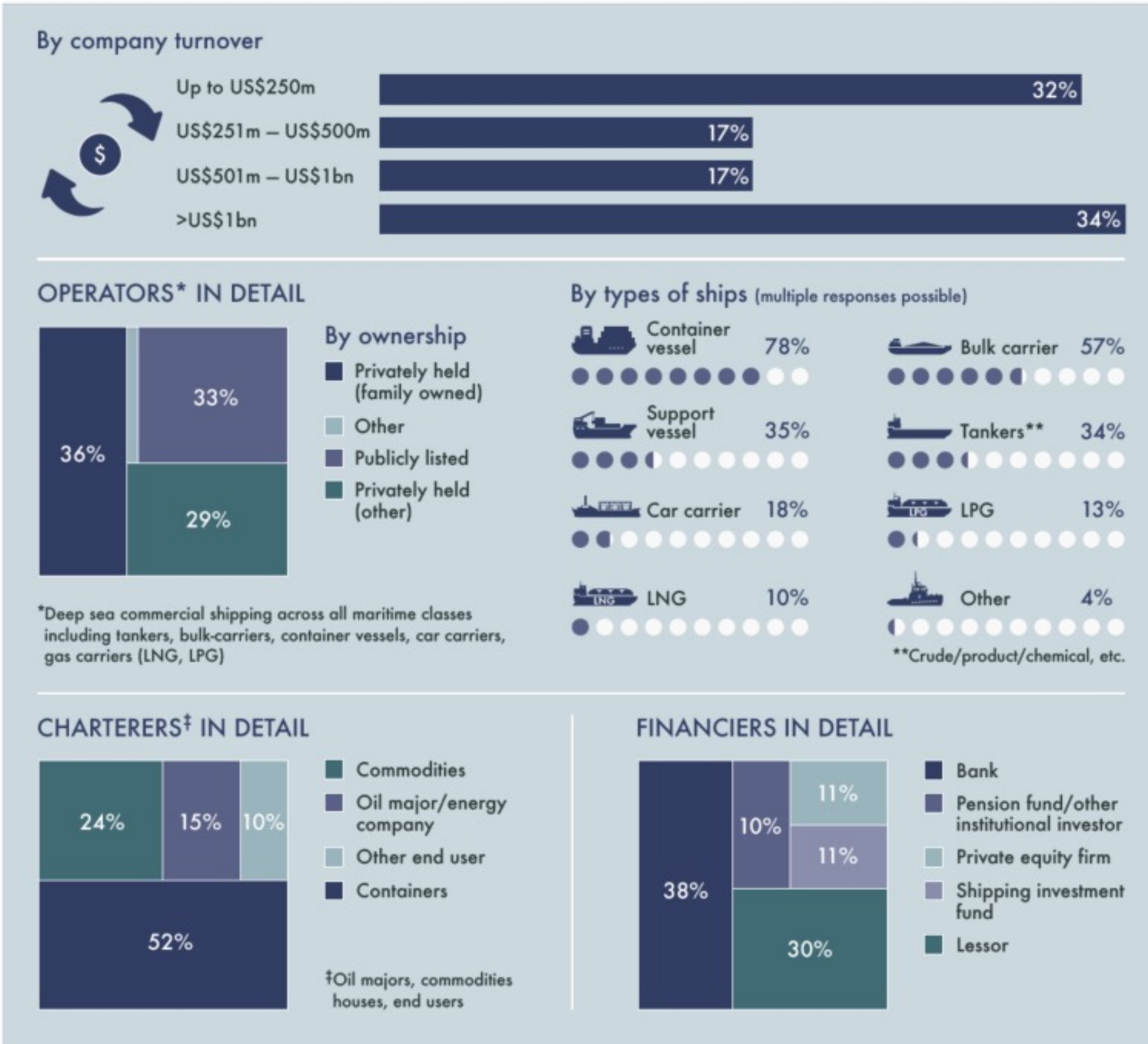
THE SUSTAINABILITY IMPERATIVE - PART 2

Jurisdictional coverage



Survey demographics



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Industry expert interviewees

1 **Giorgio Guadagna**
Business Partner for Sustainability and Decarbonisation
Stolt Tankers

2 **Andreas Sohmen-Pao**
Chairman
BW Group

3 **Rasmus Bach Nielsen**
Global Head of Fuel Carbonisation
Trafigura

4 **Guy Platten**
Secretary General
International Chamber of Shipping

5 **Christos Tsakonas**
Global Head of Shipping
DNB Bank

6 **James Tong**
Managing Director
Citibank

Interviewee quotes:

"The number of ships that have been ordered over the last two years that can burn alternative fuels is pretty substantial. On the flip side the number of facilities that can supply these alternative fuels around the world is pretty limited."
Giorgio Guadagna

"The big needle-moving solutions like ammonia and methanol are not ready yet in terms of fuel supply and price, so it will take time."
Andreas Sohmen-Pao

"The biggest issue holding people back is the cost difference between low- and zero-emission fuels versus fossil fuels."
Rasmus Bach Nielsen

"Without humans operating the ships, it's not going to work, so the 'S' is very important and the 'G' – it goes hand in hand with all of that."
Guy Platten

"Two years ago we could see the mountain; now we have started to climb it."
Christos Tsakonas

Shaping the ESG Agenda

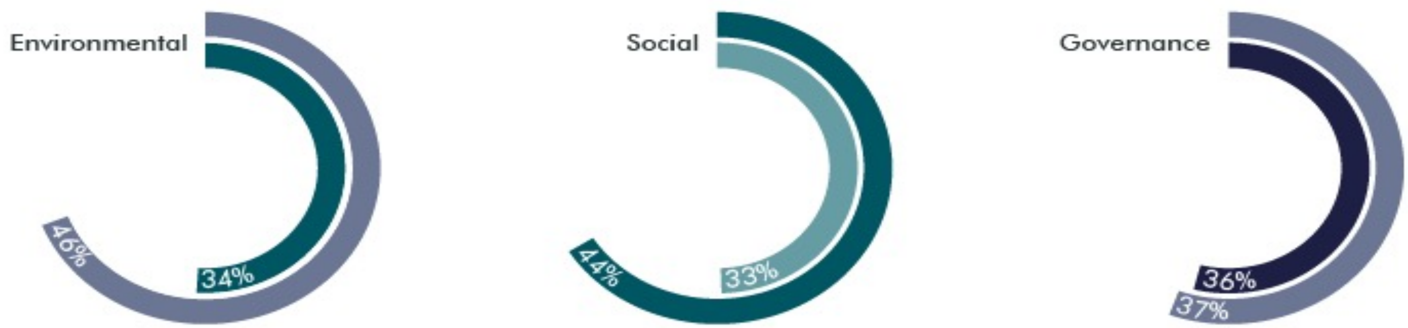
WHO

FIGURE 1: In relation to ESG issues, who are you most influenced by?

Response options (select two)

- Regulators
- Charterers
- Financiers, investors
- Competitors in your own sector
- The shipping industry generally
- Insurers
- Public perception

Top two influencers in each category



WHAT

79%

of shipowners list the Getting to Zero Coalition and the Poseidon Principles among the top three factors impacting their business in the last two years.

"Public pressure does something, but not as much as we would like to think. In shipping, most of what happens, whether it's sustainability or anything else, comes down to the regulatory and financial aspects."

Giorgio Guadagna, Business Partner for Sustainability and Decarbonisation at Stolt Tankers

5 Key findings

Drawing on a series of in-depth interviews with shipowners, charterers and financial institutions, and a global survey of circa 500 executives and senior managers across those communities

#1 The industry now has a better understanding of how long it will take to meet ESG goals.

#2 Shipowners have become more collaborative.

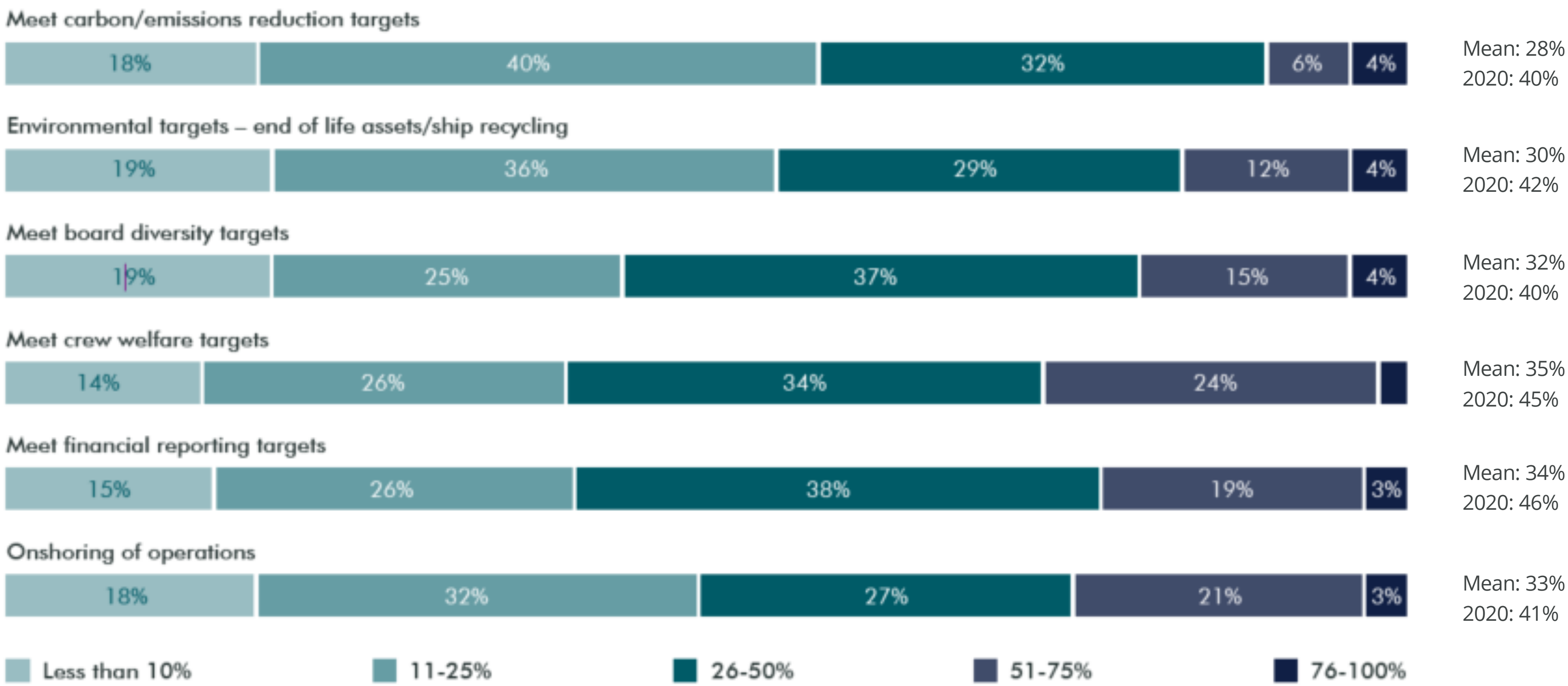
#3 Shipowners are more concerned about choosing the right technology than how to pay for it.

#4 After a surge in gas prices, LNG and LPG have fallen behind many other alternative fuels in the sustainability planning of shipowners.

#5 Within the wider shipping industry, there is strong support for carbon trading and carbon offsets, which will be important for emissions reduction.

Key finding #1
The industry now has a better understanding of how long it will take to meet ESG goals

Q: What proportion of the maritime industry do you expect to successfully address the following ESG issues within the next five years:



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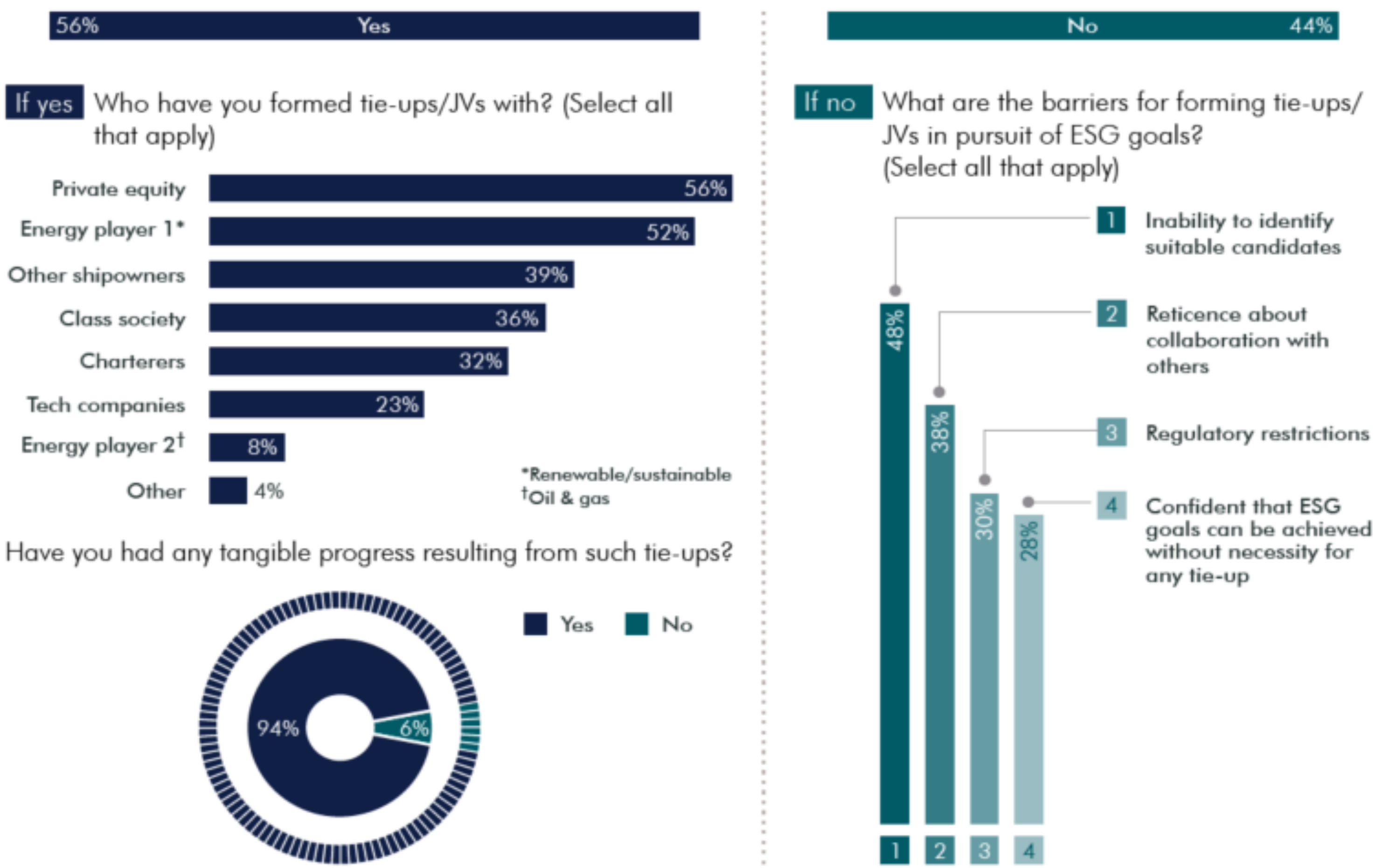
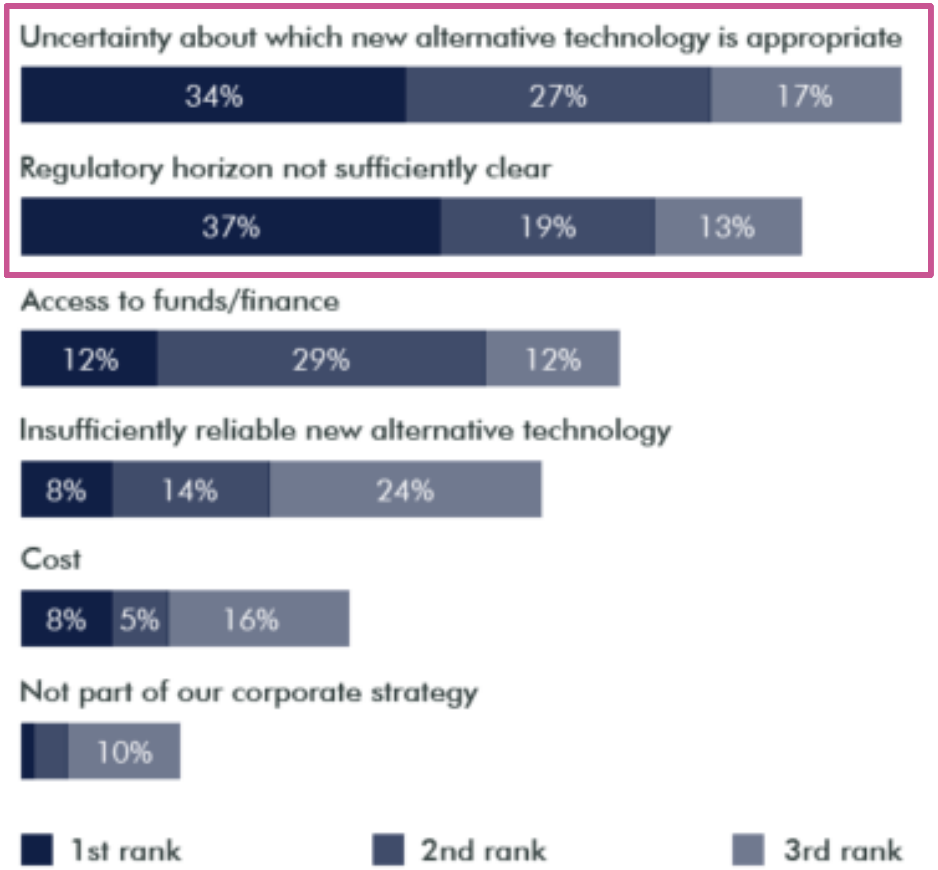
Key finding #2
Shipowners have become more collaborative

Q: Tie-ups in pursuit of ESG goals?



Key finding #3
Shipowners are more concerned about choosing the right technology than how to pay for it

Q: What limits your investment in emissions reduction (top 3 rankings)?



Ranked highest!

"Access to funds/ finance" by region (mean ranking, i.e. lower mean = higher priority):

- Americas: 1.7 (N America: 1.5)
- EMEA: 2.3
- APAC: 2.3

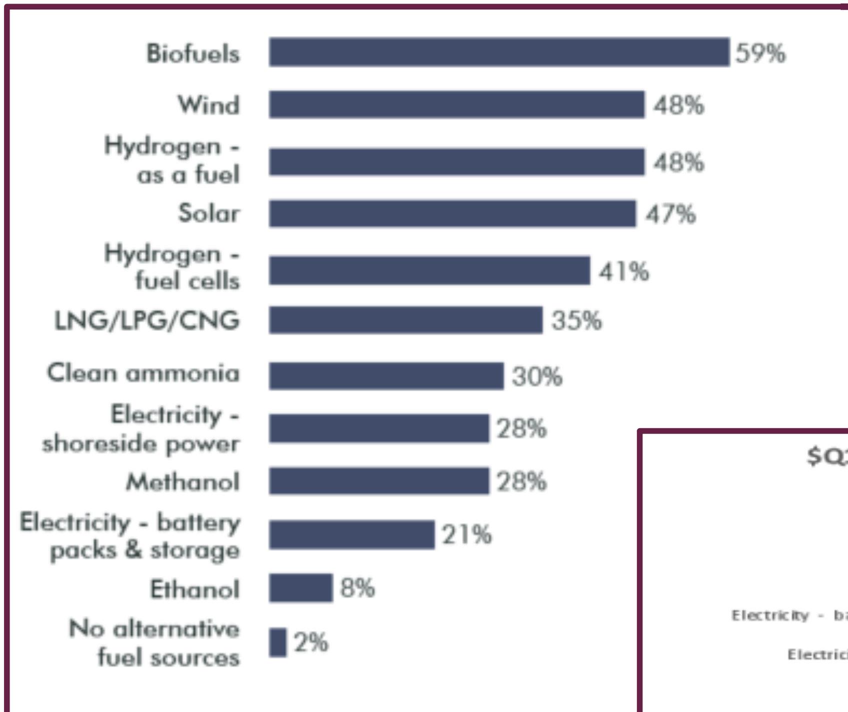
Filter: Shipowners/operators only

Key finding #4

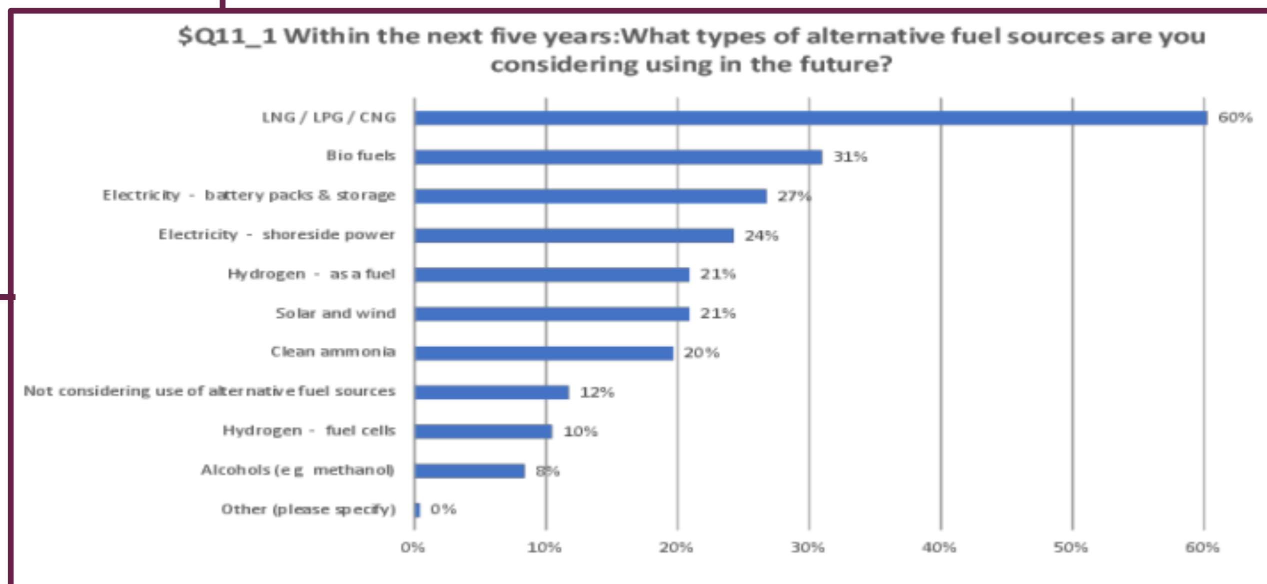
After a surge in gas prices, LNG and LPG have fallen behind many other alternative fuels in the sustainability planning of shipowners

Q: What types of alternative fuel sources are you considering using within the next five years?

2022 data



2020 data



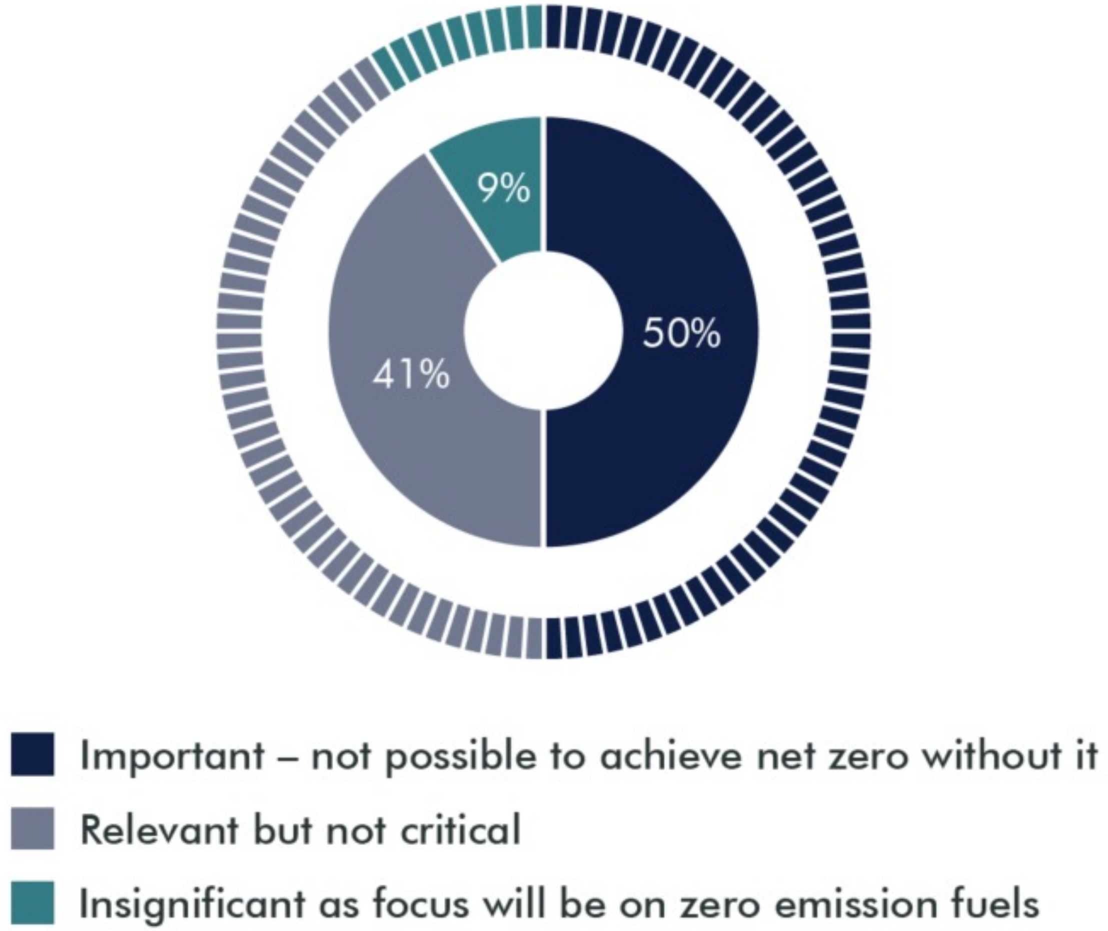
- Options for 2022 and 2020 not identical

Filter: Shipowners/operators only

Key finding #5

Within the wider shipping industry, there is strong support for carbon trading and carbon offsets, which will be important for emissions reduction

Q: In your view, to what extent will carbon trading and carbon offsets play a role in the journey to net zero in the shipping industry?

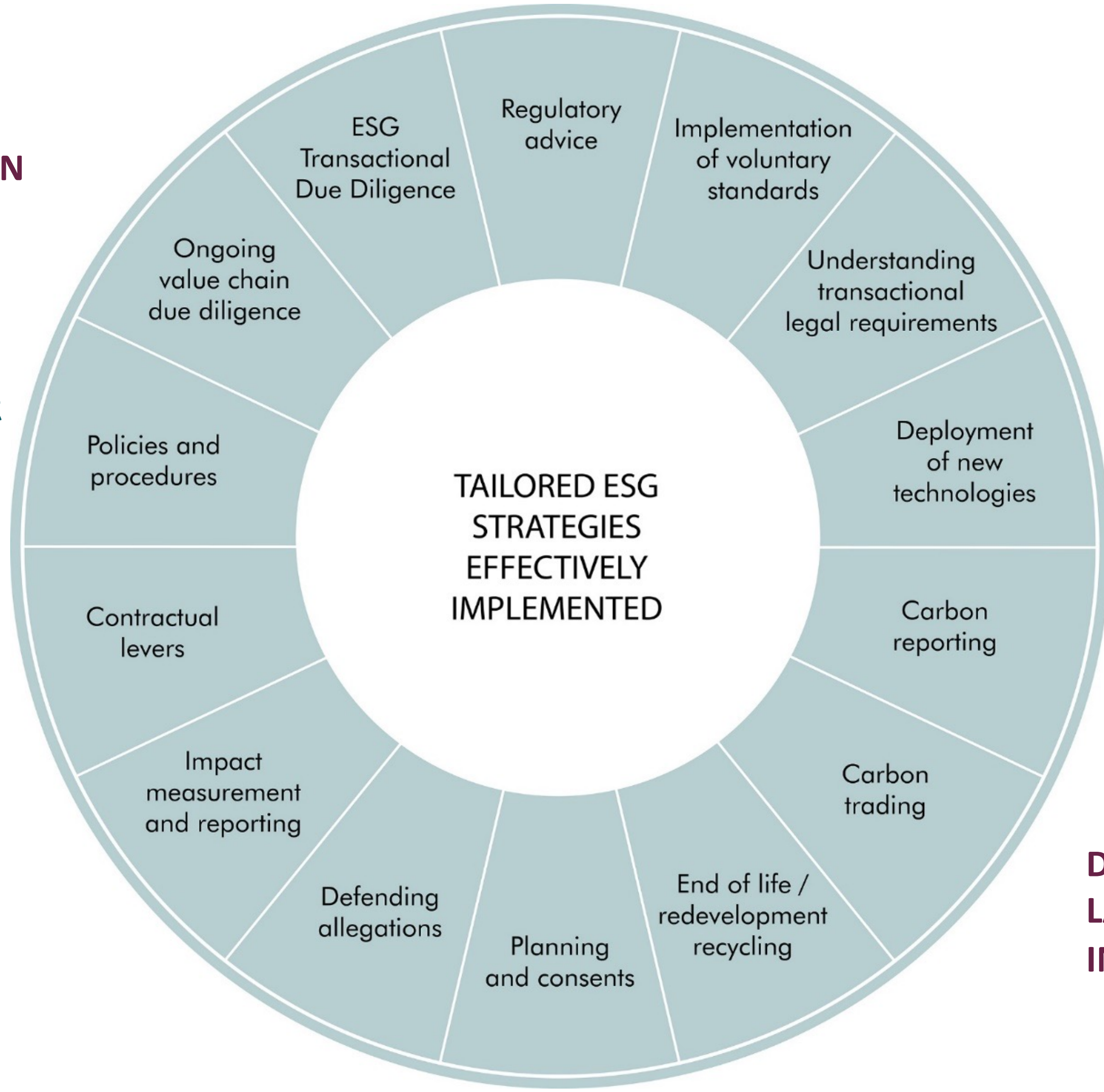


How WFW can help

195+ PARTNERS
700+ LAWYERS
25+ LANGUAGES SPOKEN

GREEN FINANCE INITIATIVE OF THE YEAR AWARD AT MARINE MONEY 2021

FULL SERVICE TO THE MARITIME INDUSTRY: ADVISING ON FINANCE, CORPORATE, TAX, REGULATORY, EMPLOYMENT AND DISPUTE RESOLUTION



RANKED BAND 1 BY CHAMBERS & PARTNERS FOR SHIPPING IN 13 JURISDICTIONS, INCLUDING, UAE ASIA-WIDE AND GLOBAL

GREEN SHIP FINANCE DEAL OF THE YEAR AT MARINE MONEY 2021

DEDICATED MARITIME LAWYERS ACROSS 19 INTERNATIONAL OFFICES

Q&A

ATHENS BANGKOK DUBAI DUSSELDORF FRANKFURT HAMBURG HANOI HONG KONG
LONDON MADRID MILAN MUNICH NEW YORK PARIS ROME SEOUL SINGAPORE SYDNEY

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